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stream in time with Capper-Neill on site

NEWS SUMMARY

Ever Ister... dockers turn work

desia move... and American officials

ing dispute... EEC Commission is to ask

ansport talks... negotiations for a Lib-Lab pact

ferendum call... Government should hold a

ection urged... has called on the Arab oil

rm verdicts... Commander Wallace

role for Poulson... Poulson, the architect, is to

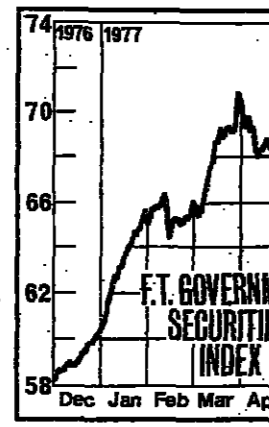
Chief price changes yesterday

Department

Government may drop Phase Three earnings ceiling

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

The Government may dispense with an overall earnings target for its phase three pay agreement with the unions, because of the unpredictable amount of wage "drift" that will result from the flexibility it has promised in any package.



U.S. ruling raises hopes for Concorde

BY STEWART FLEMING NEW YORK, May 11



Mr. Peter Jay—Dr. Owen's "own decision"

Premier's son-in-law is envoy to U.S.

By Malcolm Rutherford

MR. JAMES CALLAGHAN has run into a major political storm over the appointment of his son-in-law, Mr. Peter Jay, as British Ambassador to Washington.

THE PORT AUTHORITY of New York and New Jersey had no legal right to try to ban Concorde, the Anglo-French supersonic jet, from landing at Kennedy international airport in New York, Federal District Judge Milton Pollack ruled this morning.

CBI seeks new national economic policies forum

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A BID TO create a national forum for agreeing the country's economic policies without the overtones of a corporate State style of government, is being developed by CBI leaders.

Nepotism

Dr. Owen said that he had warned Mr. Callaghan that he would be accused of nepotism, but that the appointment should be made nevertheless.

It was precisely the charge of nepotism that Labour MPs especially were raising last night. There were suggestions that the Prime Minister had done a Wilson by creating an unnecessary political storm over a personal appointment.

Table with 2 columns: Features and On Other Pages. Lists various news items and their page numbers.

Tripartite style

This would be a development of the tripartite style of the last Conservative Government. The job of the forum would, in the weeks preceding an annual Budget, be to debate the whole range of economic possibilities facing the country.

Bullock report

The CBI has asked for a meeting with the Prime Minister to discuss the statutory imposition of worker-directors, whereas the Government is insisting it must prepare legislative proposals for such a development.

Boots takes step into the U.S.

BY KEVIN DONE, CHEMICALS CORRESPONDENT

BOOTS, Britain's biggest retail chemist, has taken its first step towards establishing a manufacturing and marketing presence in the U.S. with the \$25m (£14.5m) acquisition of Rucker Pharmaceutical.

Advertisement for Löwenbräu beer, featuring a bottle and glass. Text: 'The in-the-pink drink. Smooth and mellow Löwenbräu. Brewed and bottled in Munich.'

Table of Chief Price Changes Yesterday. Lists various commodities and their price changes.

LOMBARD

Dirty by the month, clean by the year

BY ANTHONY HARRIS

EVER SINCE sterling recovered in the wake of the IMF application last year, there has been a debate raging about its official tactics in the sterling market...

Entertaining

Since all critics tend to assume automatically that the Government has been up to something they disapprove of, rather less attention has been paid to what we have actually been doing in the exchange markets...

Smoothing

Finally, though, it must be stressed that Forsyth is talking about whole financial years. Last financial year, for example, we supported sterling to the tune of £1.5bn...

TV Radio

Table with columns for time slots (6.55, 7.20, 8.00, etc.) and program titles (Tomorrow's World, Top of the Pops, etc.).

F.T. CROSSWORD PUZZLE No. 3,378

Crossword puzzle grid with 15 numbered squares and a list of clues (ACROSS and DOWN) on the right side.

SOLUTION TO PUZZLE No. 3,377

Grid for the solution to puzzle No. 3,377, with words filled in across and down, and a list of the words used.

RACING BY DOMINIC WIGAN

Three Legs for repeat victory

THREE LEGS who was doing his best work in the closing stages of Newmarket's five-furlong Palace House Stakes on Two Thousand Guineas day, returns to the scene of his last victory...

SALEROOM BY ANTONY THORNCROFT

Haydn sets £32,100 record

A minor auction of Old Master paintings contributed £38,145 with a best price of £2,800 over four times the forecast...

Air problems for discussion

A WIDE range of air transport problems of particular interest to the passenger will be discussed over the next two days at a conference in London...

NOTICE OF REDEMPTION To the Holders of

GOULD INTERNATIONAL, INC. 9 3/4 % Guaranteed Notes Due 1983

Issued under Indenture dated as of June 15, 1973

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$2,500,000 principal amount of the above described Notes have been selected by lot for redemption...

TEMPORARY NOTES OF \$1,000 EACH

DEFINITIVE NOTES OF \$1,000 EACH

Large table listing serial numbers and amounts for temporary and definitive notes, including columns for serial number, amount, and interest.

On June 15, 1977 the Notes designated above will become due and payable in such form and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts...

Coupons due June 15, 1977 should be detached from the Definitive Notes and collected in the manner, accrued interest to June 15, 1977 on the Temporary Notes called for redemption will be upon presentation of the Notes for payment.

GOULD INTERNATIONAL, INC. BY MORGAN GUARANTY TRUST COMPANY OF NEW YORK, N.Y.

On and after June 15, 1977 interest shall cease to accrue on the Notes herein designated for redemption...

THE FOLLOWING NOTES PREVIOUSLY CALLED FOR REDEMPTION HAVE NOT BEEN PRESENTED FOR PAYMENT

TEMPORARY NOTES DEFINITIVE NOTES bearing distinguishing letter M

Temporary Notes of the above issue not called for redemption should be surrendered to the Office of Morgan Guaranty Trust Company of New York for the purpose of exchanging Temporary Notes for Definitive Notes with interest coupons attached.

THEATRES (Contd.)

Table listing various theatres and their current productions, including Victoria Palace, The Grand Opera House, and others.

CINEMAS

Table listing various cinemas and their current film screenings, including The Grand Opera House, The Grand Theatre, and others.

ART GALLERY

Table listing art galleries and their current exhibitions, including Agnew Galleries, Marlborough Fine Art, and others.

CLUBS

Table listing various clubs and their details, including the Grand Opera House and others.



EUROPEAN NEWS

David Lascelles reports on three anniversaries which underline Yugoslav independence

Bear-baiting Balkan style



President Tito

BY A striking coincidence, Yugoslavia is about to celebrate three anniversaries, at least two of which will dredge up memories which will annoy its eastern neighbours...

The Yugoslavs were furious. Yet because of the obligations of the Russian approach, there was nothing concrete they could reject.

As one official put it: "To an outsider, the exchange would have sounded quite harmless. A verdict will be given on Monday in the trial of eight Zagreb air traffic controllers accused of causing the world's worst mid-air collision in which 176 people died last September...

For in 1937 Tito took the bold decision to leave Moscow, where he was working for the Comintern, and enter Yugoslavia to organize the illegal and scattered party on the spot. In effect, this meant that he was taking over control of the party from the Comintern, and therefore from Moscow which he had just disapproved of what he was doing.

In the light of the later break with Stalin, this enables the Yugoslavs to claim to-day that their party was quite distinct from the Soviet one as far back as the 1930s.

It is no coincidence that Tito's right hand man Edvard Kardelj recently declared that Yugoslavia's unique self-management system was in preparation long before the break in 1948. The conventional view is that it was deliberately developed in the aftermath of the break to give Yugoslavia a more distinctive character.

In other words, one of the implicit themes of the anniversary will be that Yugoslav socialism owes little or nothing to the Soviet Union.

Not that Belgrade is searching for an excuse to annoy Moscow. But following last November's summit between President Tito and Mr. Leonid Brezhnev at which the Russians tried to persuade Yugoslavia to co-operate more closely with the Warsaw Pact and Comcon, Belgrade is anxious to reinforce the theme of its long-standing independence.

The Yugoslavs are still reluctant to comment on that summit. But it appears that the Russians used carefully worded phrases to suggest that Yugoslavia should co-operate politically, militarily and ideologically with the Soviet Union and should co-ordinate its foreign policy.

New round of SALT talks under way

By David Egil GENEVA. AS MUCH progress as on details concerning strategic arms limitation will be made in days remaining here...

The initial discussions which resumed here in concern such specific how to verify what have multiple indicators targeted re-entry (MIRVs), avoiding...

These were indicated by Mr. Paul Warnke, U.S. delegate and the Army Control of armament Agency.

He approached the Deputy Foreign Minister, Mr. Semjonov, with a deal of enthusiasm, a deal of hope, he said.

Mr. Warnke argued no conflict between the U.S. position on SALT Moscow's insistence on a new agreement had been agreed and the Vladivostok agreement.

Mr. Semjonov said: "We would not move directly to a comprehensive arms control package would be entirely appropriate and these new more meaningful measures control."

Belgrade therefore has great hopes that the proposed new agreement with the EEC will ease trade relations and imply a certain commitment by Brussels to bear in mind Yugoslav interests.

Basically, though, Yugoslavia remains strongly committed to non-alignment and is anxious that the EEC deal should not imply preferential treatment.

Instead, Belgrade is saving up most of its energy for the Helsinki follow-up conference in June which it sees not only as a means of furthering the East-West dialogue but also as an event which will reinforce its own distinct position in Europe.

Liechtenstein cle Texon directors

VADUZ. THE LIECHTENSTEIN Texon - Finanzanstalt given no reason for offences against law were committed by 4 and former directors in Liechtenstein, the ment said.

Herr Walter Klob Premier, said it has a possible to establish the of Texon's business as none of the local activities or had known them.

The Financial Times reported that the U.S. State Dept. has been told that the U.S. is not prepared to discuss SALT II with the Soviet Union.

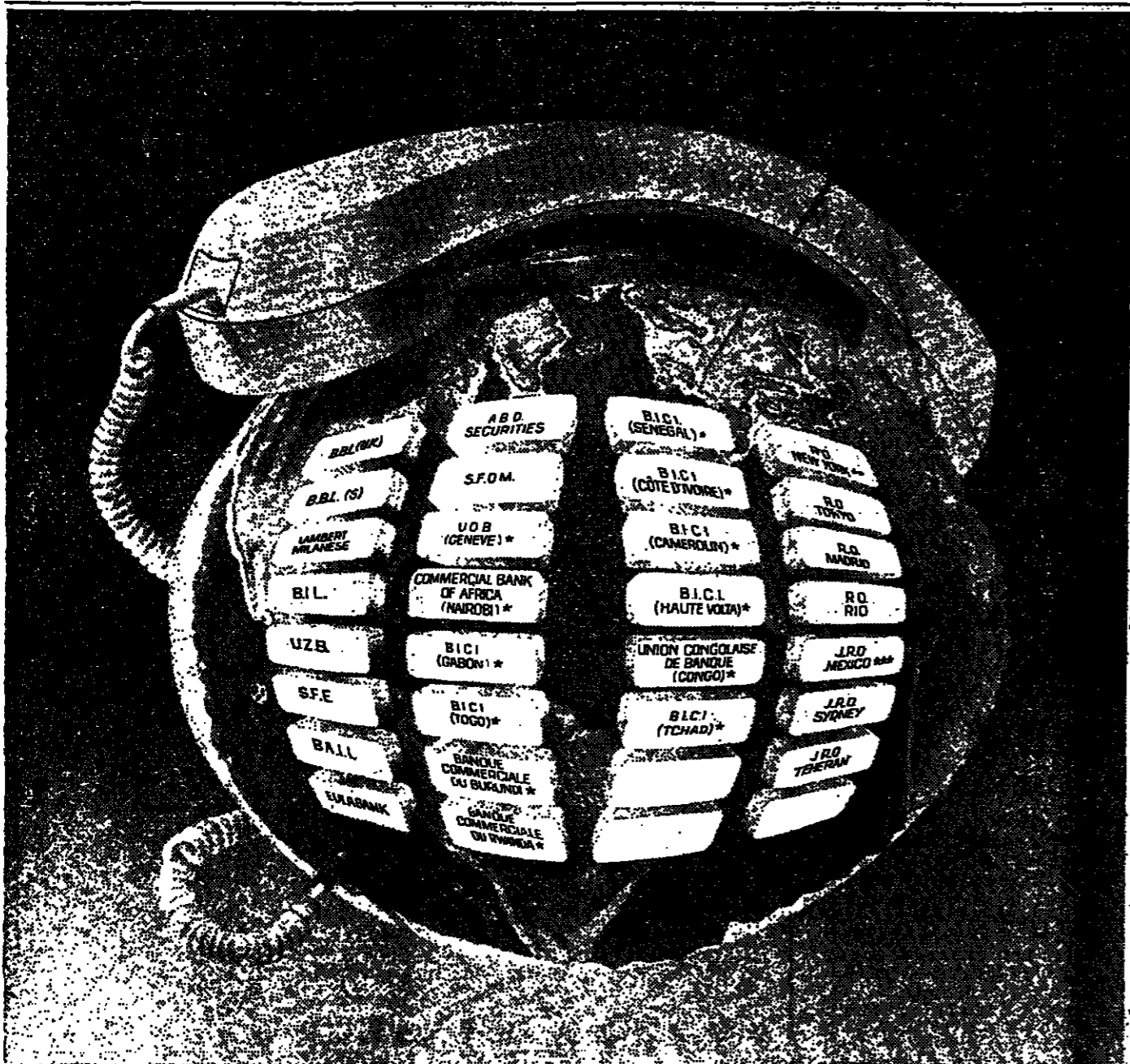


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We've got the connections.

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Banque Bruxelles Lambert the person-to-person bank

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A FINANCIAL TIMES SURVEY

HONG KONG

JULY 4 1977

The Financial Times is preparing to publish a survey on Hong Kong in its edition of July 4, 1977. It will examine the reasons behind the colony's economic revival following a period of depression and separate articles will be devoted to individual sectors of economic activity, foreign relations, administration and taxation. The survey will include profiles of some of the colony's leading businessmen and companies. The main headings of the proposed editorial coverage are set out below.

INTRODUCTION Hong Kong experienced a 16 per cent growth in GNP, in real terms in 1976; a further increase of 8 per cent is forecast for this year. What brought about this revival?

ECONOMY AND TRADE Although textiles are still the main export, of an economy for which trade is the lifeblood, there has been a considerable trading up within the industry - and some diversification away from it.

INTERNAL ECONOMY Hong Kong, said to be the last bastion of unfettered capitalism, has increased its social spending but the system remains a free enterprise one. After a couple of deficits, the colony has balanced its budget and has amassed large foreign exchange surpluses.

FINANCIAL CENTRE The role of Hong Kong, with its four stock exchanges, as a financial centre in South East Asia; the effects of the 1971-73 boom and subsequent collapse; the growth of merchant banking.

ADMINISTRATION The role of the anti-corruption unit, set up to counter arguments that corruption has been allowed to flourish; the calibre of the colonial service, now that Britain no longer has an empire.

FOREIGN RELATIONS The advantages and disadvantages of Hong Kong's link with Britain; China's attitude to the New Territories, the hinterland of Hong Kong, which, in theory, are due to revert to China in 1997; relations between Hong Kong and Singapore; Hong Kong and Japan; Macao's relationship with Hong Kong and Peking.

NEW TERRITORIES Development plans, including industrial estates and new towns; problems of absorbing the increase in population.

TEXTILES Movement towards higher quality production; export restraints; the industry's prospects.

ELECTRONICS Attempts to move from cheap-labour assembly to more sophisticated manufacture; the watch industry, which, like electronics, is another growth sector.

AGRICULTURE Fishing and farming together form a sizeable industry. Coastal and deepwater fishing; domestic food production.

SHIPPING AND PORTS The growth of container traffic; the new wharves; tie-in charter; current prospects.

CONSTRUCTION The industry is still booming with the erection of new housing, industrial buildings and office blocks.

TRANSPORT The mass transit system; the government survey on communications; air transport.

PUBLIC UTILITIES Who runs them and how well do they work?

LABOUR LEGISLATION The extent to which it is enforced; Hong Kong's employment record compared with that of other states in the Far East.

TAXATION The government review of revenue collection; changes in direct taxation.

THE MEDIA Owners and editorial policies of Hong Kong's newspapers and periodicals; their role as a source of information about China; radio and television.

FOOD Sources of the colony's food supply; who controls the wholesale and retail food trade.

GOLD AND COMMODITIES The performance of the bullion market over the year; the progress so far in commodity business.

HEALTH AND WELFARE Benefits available, and their providers - government, charities or individuals.

TOURISM The industry's contribution to the economy; attractions for the visitor.

BUSINESS PROFILES Profiles of leading businessmen and companies.

The proposed publication date is July 4; copy date is June 22. For further details of the synopsis and advertisement rates contact Clive Radford, 01-248 8000, extension 372. Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 885033.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

Copy no 1550

Joy in 1975

EUROPEAN NEWS

Barre to face Mitterrand in key television debate

DAVID CURRY
RAYMOND BARRE, the Prime Minister, and M. Jacques Chirac, the Socialist leader, will meet in a 90-minute television debate to-morrow night...

PARIS, May 11. The Gaullists voted for the confidence in the Government after the publication of the Mitterrand programme, which calling for no actual confidence in the Government. M. Mitterrand's authority is Mr. Pierre Trudeau, the Canadian Prime Minister, is due to arrive here to-night for talks with M. Valéry Giscard d'Estaing...

Portugal still seeks \$1.5bn. loan says Eanes

By Reginald Dale, European Editor
PORTUGAL IS still hoping to raise an international loan of up to \$1.5bn. from the major Western industrialised countries...

Finland's Government resigns

BY LANCE KEYWORTH
PRIME MINISTER Martti Miettunen tendered his minority Government's resignation to President Urho Kekkonen this evening. The President asked him to continue in a caretaker role until a new Government is formed.

Communist sums anger ally

OUR OWN CORRESPONDENT
PUBLICATION by the Communist Party of a costing of its version of the Socialist-Communist programme just two days before the television debate...

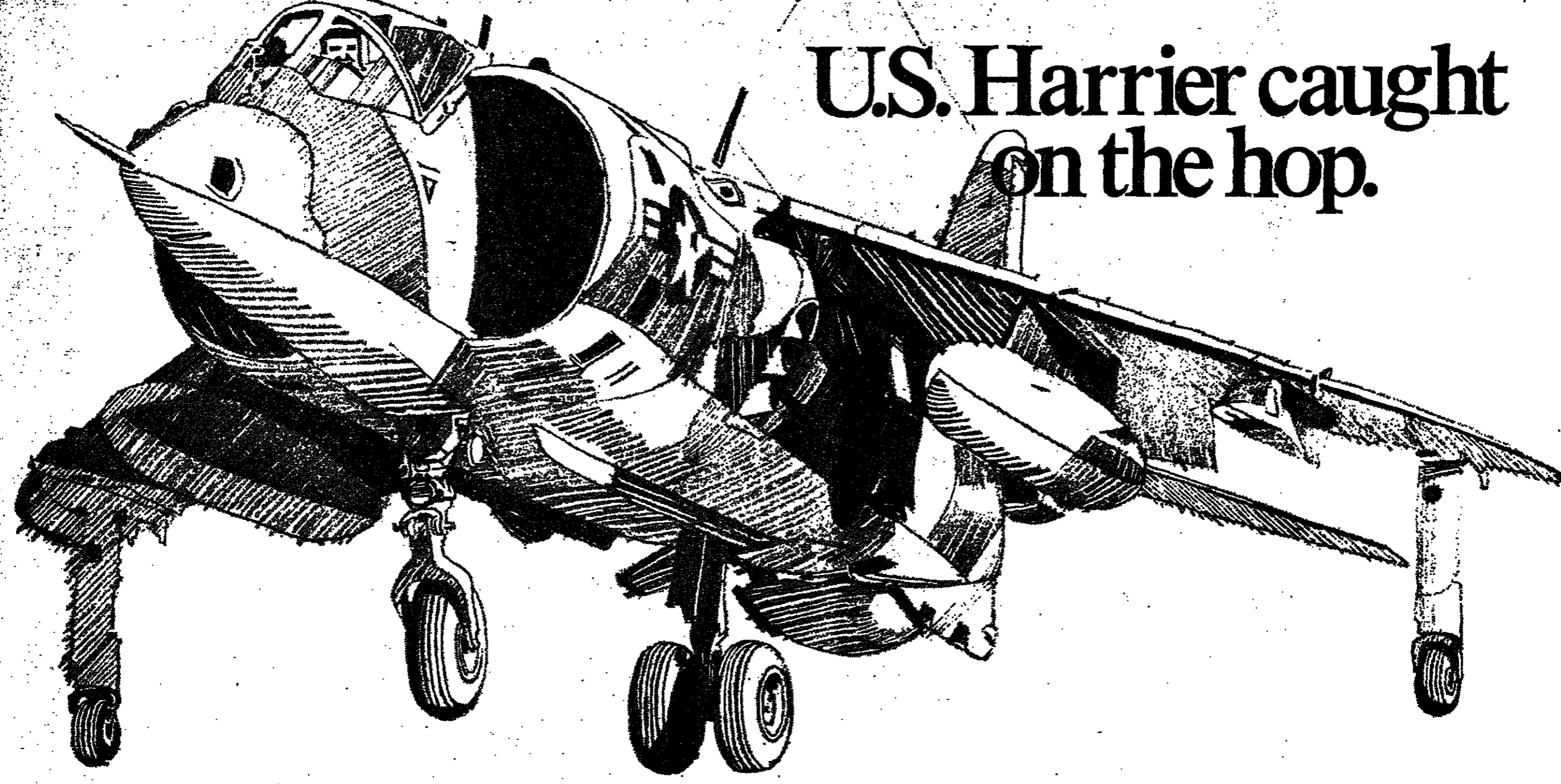
PARIS, May 11. programme to nationalise nine leading companies and the credit and banking sector. Within the end of six months, the Communists are promising to have embarked upon the study of the restructuring of national industry and agriculture, reform of the banking and financial sector, as well as of the financing of social security...

COMMUNISM AND THE VATICAN Curious eyes on Holy See

BY DOBRIK J. COYLE IN ROME
IT SEEMS that all roads still lead to Rome—even Communist ones. With some remarkable, but wholly coincidental timing, separate delegations from the French and Polish Communist parties are now in Rome to examine Catholic-Communist relations...

New doubt on Bonn's N-policy

BY Jonathan Carr
BONN, May 11. THE WEST German Technology Minister, Herr Hans Matthefer, has agreed that further funds for development of fast breeder nuclear reactors be blocked until questions on safety and other issues have been examined by Parliament.



U.S. Harrier caught on the hop.

The United States Congress reported recently on alleged spares problems affecting Marine Corps jump-jets. But Hawker Siddeley and their sub-contractors had a rather different story to tell. Against a background of negotiation for further Harrier contracts worth hundreds of millions of dollars, the controversy has many implications for British industry.

competitive market; the prospects of pay-squeezed middle management; union attitudes to change—the chances are you'll find it in The Engineer. Every week it provides engineering management with practical information for work. It contributes to an understanding of the difficult problems of change. It has an educative role; but it also speculates on the new technologies that fire the imagination.

management and to promote a consciousness of industry's place in and duty to society at large. For more than 120 years The Engineer has been serving engineering management throughout industry. It can claim with pride to have played a real part in helping to shape developments over twelve decades by promoting the spread of knowledge when it was the possession of but a few.

finance to maintenance. And in the engineering industries it is the best read publication—bar none. Every week more engineers and engineering managers read The Engineer than read any national daily, quality Sunday or engineering monthly.

THE ENGINEER The Weekly for Engineering Management. AEGON-GRAMPHAN (Publishers) Limited 20, Cannon Row Street, London SE18 3QH Telephone 01-825 7777

AMERICAN NEWS

Republic Steel reduces extent of its price rises

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 11.

REPUBLIC STEEL announced this morning that it was cutting back on its previously announced price increases to the level adopted on Monday by U.S. Steel, the biggest company in the industry.

Miners crisis averted

WEST VIRGINIA, May 11.

A MAJOR confrontation between the United Mine Workers union (UMW) and the coal industry was at least temporarily averted on Tuesday when the UMW's president, Mr. Arnold Miller, refused to follow a controversial resolution passed by the union's policy-making executive board.

El Salvador guerillas murder Minister

By Alan Riding

MEXICO CITY, May 11.

THE FOREIGN Minister of El Salvador, Sr. Mauricio Borge Pohl, was found dead early today—apparently killed by Left-wing guerillas who kidnaped him three weeks ago and unsuccessfully demanded the release of 37 political prisoners in exchange for his life.

His body, with three bullet wounds in the forehead, was found soon after midnight, tossed beside a road seven miles from San Salvador, the country's capital.

Police say he was killed a few hours earlier. Sr. Borge's death was predicted after the ransom demand of the so-called Popular Forces of Liberation was rejected by the army-backed Government of Colonel Arturo Armando Molina.

In the past, El Salvador's guerillas have not hesitated to kill their kidnapped victims. The Foreign Minister's murder is expected to unleash a new wave of Government repression against opposition groups, in an atmosphere of growing political tension after the presidential elections 10 weeks ago in which the Molina Government resorted to fraud and violence to impose its candidate, General Carlos Humberto Romero, and deported dozens of Opposition figures.

THE U.S.-PANAMA CANAL TALKS

Torrijos treats for survival

BY ALAN RIDING

AS TALKS between the U.S. and Panama resumed this week in Washington, there is sudden confidence that a breakthrough in the seemingly-endless negotiations for a new Panama Canal treaty is imminent.

It will give Panama immediate jurisdiction over the canal zone, and full responsibility for the running of the waterway itself by the year 2000. During this period, Panamanians will gradually be prepared to administer and defend the canal, while the United States will

that should be ready for signature within a month or two though the chauvinistic flap stirred by former California Governor Ronald Reagan in last year's primaries has eased, there are still many conservative American senators who are in no mood to "give away" the Panama Canal.

A two-thirds majority is required for Senate ratification of the treaty. Panama's success in their campaign to draw attention to alleged human rights violations in Panama is not burning with anti-Americanism, and popular complaints, if any, are directed at the state of the economy and the corruption of the regime.

increase its annuity from \$21m. to-day to between \$30m. and \$40m. Perhaps the only outstanding substantive conflict is over the Pentagon's demand for a Panama residual defence role in Panama after the year 2000: Panama demands that the waterway be "neutralised". Evidence of progress in other areas was offered by the fact that this was the first point taken up when the negotiations resumed on Monday. Similarly, General Torrijos had stated that the question of annuity payments would be discussed last—and this too is on the agenda in Washington.

But there are still obstacles in the way of the two Governments, despite their common desire for a rapid and thorough

rejection of the treaty. The real danger—one that has been the topic of persistent rumours in Panama—is that General Torrijos may not be able to survive in power very long without an improvement in Panama's economy. And most observers agree that such an upswing will not come until after a new treaty has entered into effect.

At present, the economy is in a deep slump, and the Government has been forced to cut down on deficit spending by the

reliance of commerce to carry on increasing foreign debt. Resolution of the canal would reassure American and domestic investors. Panama's human resources will be mobilised building up the economy with a difference in public setting. More important, private credit will become more easily available while Panamanian law what is now the law should provide a stimulus to mercantile activity, with its post exchange and entering the economy.

No one seems willing to seriously consider the failure of the Panama Canal. At the level, with such diplomats as Mr. Ellsworth Bunker Sol Linow on the side and the skilled university rector, Sr. Escobar Bethancourt, Panamanian team, this is likely.

But the rejection of the treaty conceivable. Panama's cite should be no proof there is no free Press—there will be no op about the draft—and will be counted by Torrijos cronies.

But American ratification be delayed for a number of reasons. If this delay is a de facto rejection Torrijos will at some point be forced to show his dissent. The rest is speculation.

is little doubt that to-day Panama is not burning with anti-Americanism, and that complaints, if any, are at the state of the economy and the corruption of the regime. With the failure of the General Torrijos would ing for his political ill

With the failure of the General Torrijos would ing for his political ill

With the failure of the General Torrijos would ing for his political ill

Anti-nuclear protest continues in jail

BY DAVID BELL

WASHINGTON,

MORE THAN 700 anti-nuclear demonstrators today entered their eleventh day of imprisonment in makeshift jails in New Hampshire in protest against the building of a new power station in the state.

About 2,000 demonstrators, members of the Clamshell Alliance, were arrested on May 1 after they occupied the site of a new power station at Seabrook in New Hampshire. The occupation was peaceful but similar in other respects to action taken by West German anti-nuclear demonstrators in recent months.

Acting under orders from Mr. Meldrim Thomson, the very conservative Governor of the state, police arrested all the protesters and set up temporary prisons in schools, barracks and other state buildings.

Mr. William Loeb, the editor of the Manchester New Hampshire Union Leader, the state's largest newspaper which plays a key role every four years in the New Hampshire primary, said he must be among the most conservative in the nation, wasted no time in branding members of the Clamshell Alliance as similar to "Nazis storm troopers under Hitler."

Only in jail are the protesters, and many are veterans of the anti-war demonstrations of

the 1960s, refused to pay bail necessary for their release. Some later decided to remain in makeshift jails in New Hampshire in protest against the building of a new power station in the state.

The problem for Mr. Thomson is that the Clamshell Alliance, after the club found on the New England is an ad hoc group of various anti-nuclear but such it deliberately leader and no spokes the police have, there to deal with each dem individually.

The importance of this lies in the fact that the largest civil disobedience protests since the 1960s organisers predict, only of many more across country. Most nuclear plants have been halted the courts and many are delayed by legal wrangles in his recent energy Mr. Carter noted that procedures should be speeded up and delay cut to a minimum.

If the anti-nuclear really does take to the streets will undoubtedly pose a problem for the administration and could mean a yet more cut for the U.S. to build nuclear reactors now.

Mixed feeling in Congress on social security plan

BY OUR OWN CORRESPONDENT WASHINGTON,

PRESIDENT CARTER'S proposals to improve the financial health of the social security system have received a mixed reception in Congress.

The key parts of the programme unveiled on Monday require the potential diversion of general tax revenues to shore up social security trust funds when unemployment is high and higher payments by businesses, but much less by employees.

Predictably, Conservative opposition centres round the extra burden companies are expected to pay; the Administration's contention that even without reform businesses will pay appreciably more during the next five years has been given fairly short shrift.

However, probably more serious, given the overwhelming Democrat majority in the Congress, are the doubts expressed by prominent members of the President's own party, most notably Mr. Al Ullman, chairman of the House of Representatives

Ways and Means Committee through which the system must pass.

Mr. Ullman said yesterday "everything can't be done" and he acknowledged the social security system's financial trouble.

He also said that the interest in some "assumption" was, though a value of a value, but he also said that it was unrealistic to expect to tackle as basic an

social security financial year given the demands President's proposals on savings, tax and welfare. On the other hand, Russell Long, chairman of the Senate Finance Committee, a qualified endorser of the Carter programme, said that the Senate would pass most of what he proposed, with a few amendments. He would not himself to predict whether the House and Senate would tackle the problem.

FDA fluorocarbons ban

BY OUR OWN CORRESPONDENT WASHINGTON,

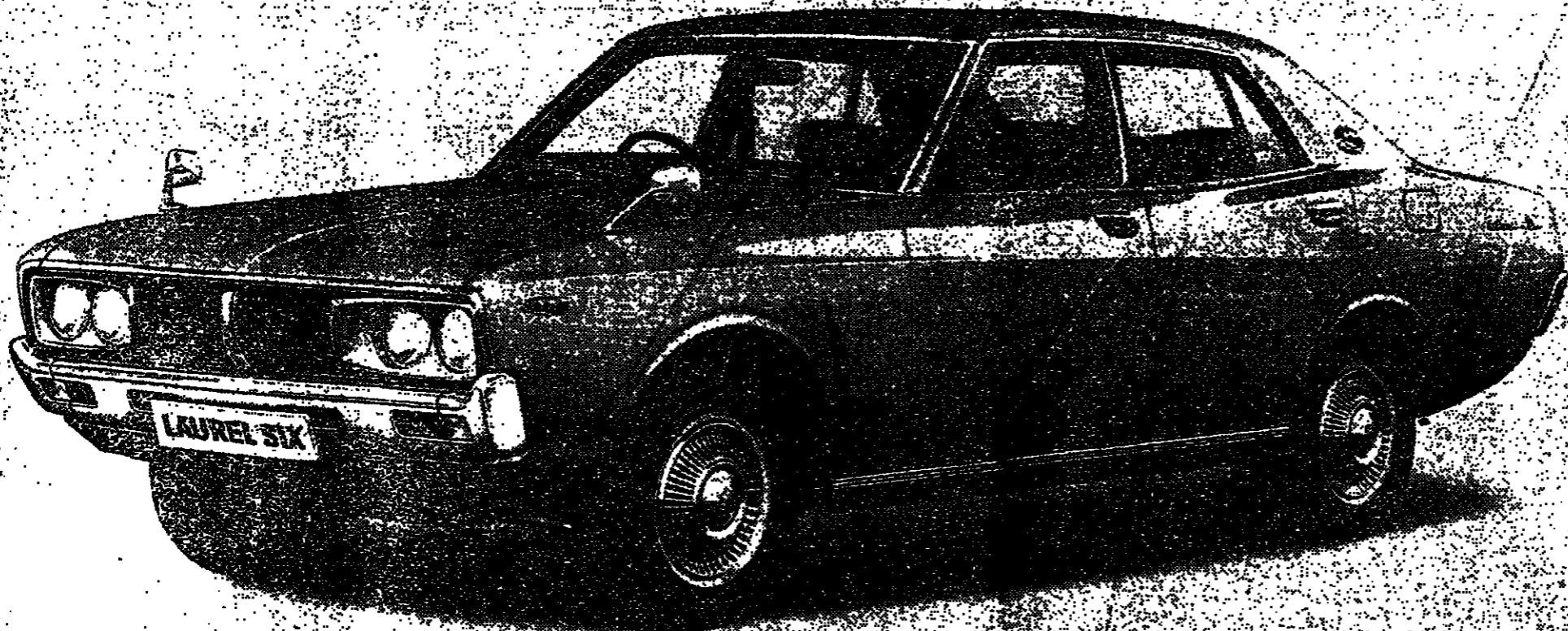
THE U.S. Food and Drug Administration (FDA) said today that production of fluorocarbon gases used in aerosol cans should be phased out over the next two years and that, after that period, they should be banned completely.

The FDA said that a ban on fluorocarbons would protect the earth's ozone layer which has been depleted by the gases, used as propellants in aerosol cans. At the same time, the demise of up

the fluorocarbons could skin cancer cases by as much as 2 and 20 per cent, respectively, the agency said.

Under the ruling, the most common man-made fluorocarbons as a group have been sold but there will be some medical uses for some time. Existing stocks can be used up.

Datsun offer excellent positions for executives: £3,500 upwards.



The Laurel Six executive saloon, in fact, costs £3,545. Which represents remarkable value for a quality built car, equipped to an extremely high standard, and powered by a smooth, six-cylinder 2-litre engine.

It is one of five luxury executive cars in a range of over 20 models, which have maintained Datsun as Britain's leading car importer for more than three years.

And the Laurel Six really stands out in a class of its own, with no other 2-litre executive saloon able to compete in terms of sheer value for money.

The engine, for example, is a straight-six overhead camshaft unit—familiar enough in Jaguars, but a rich rarity in the 2-litre class, where four-cylinders are usually all you can get.

The smooth power of the Laurel Six gives it easy 100 mph performance, yet impressive economy is available too with up to 30 miles from each gallon of low-grade petrol—and with a 13 gallon fuel tank, that means a long way between refills!

The Laurel Six is luxuriously upholstered and particularly spacious.

And, when it comes to equipment, the Laurel Six has more executive features at its price than just about any car you can think of—tinted glass all round, push-button radio with stereo auto-change cassette player, reclining front seats with adjustable head restraints, electric clock with sweep second hand, illuminated ignition switch, automatic reversing lights, lockable glove compartment, powerful heating and ventilation system, side indicator repeaters, cigar lighter, heated rear window, and lots more.

There's executive luxury too with the Datsun 260C Saloon and Estate Car. Both have a 2.6 litre six-cylinder engine, power assisted brakes, power steering, and a host of luxury features—from deeply upholstered cloth seats to radios with electrically operated aerials—as standard.

The impressive Estate Car, at £4,500, offers a vast 75 cu. ft. of carrying space with the rear seat folded; the Saloon, at £4,760, has the added luxury of electrically operated windows, remote control opening of the boot and fuel filler cap, stereo cassette player, etc.

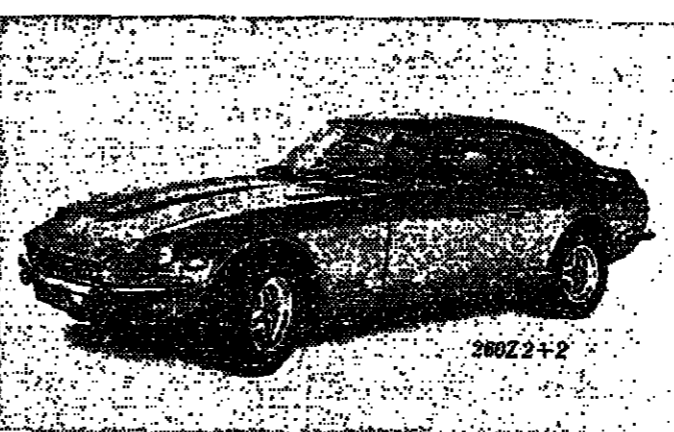
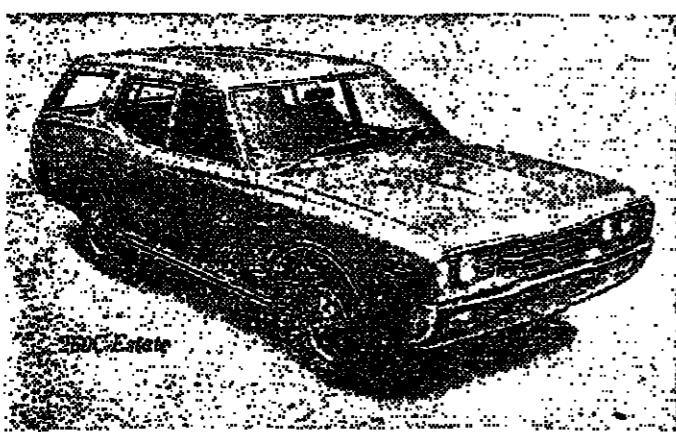
Completing the Datsun executive range are two versions of the high performance 260Z, the world's

largest selling sports car, with over 500,000 in use!

There's an exotic and luxurious 2+2, at £6,500, which really does have room for four adults in comfortably individual seats; and the superb sports 2 seater, at £5,699, winner of tough rallies all over the world, including two outright victories in the incredible East African Safari Rally.

Both cars have untemperamental 120 mph performance, with a five-speed gearbox, handsome cast alloy wheels, huge power-assisted brakes and fully independent suspension.

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OVERSEAS NEWS

Legal, going against the African trend, introducing multi-party system

Poetic licence for democracy

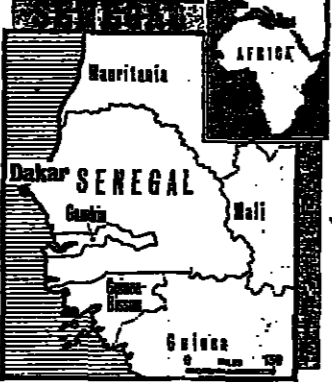
SUSAN MORGAN, RECENTLY IN DAKAR

Senegalese leaders have often... multi-party system... gradual accumulation of power...



President Senghor

While there are many criticisms of President Senghor's new system... the change may also ease the way for a successor...



Senegal

one-party system was... coup in 1960... Mamanou Diop... more serious disturbances...

Australian emergency flights threatened

BY KENNETH RANDALL CANBERRA, May 11

EFFORTS to resolve the strike drawn and that the airlines have... Australian air traffic controllers remained totally bogged...

West makes Namibia headway

BY QUENTIN PEEL CAPE TOWN, May 11

THE WESTERN proposals for a settlement in Namibia (South West Africa) received a "remarkably positive response"...

New South Africa riot toll

South Africa's Independent Institute for Race Relations says 617 non-whites are known to have died in last year's rioting in Johannesburg...

Democratic hopes ride on Morocco general election

BY OUR OWN CORRESPONDENT RABAT, May 11

THE FIRST parliamentary elections in seven years will be staged in Morocco on June 3... brother-in-law, Premier Ahmed Osman...

Vietnam demands U.S. aid Young visit doubts remain

BANKOK, May 11

VIETNAM will not establish diplomatic relations with the United States until Washington agrees to give aid money...

Police charge demonstrators in Lahore

Police wielding sticks yesterday charged and exploded during a demonstration of some 2,000 men and 100 women...

Most of the 10 political parties are expected to join the campaign, which opens officially at the end of next week...

Israeli air disaster

An Israeli army helicopter crashed and exploded during a night manoeuvre near the Dead Sea killing all 54 soldiers and crewmen aboard...

The cause of the crash is not known.

Kuwait ruler 'well'

A Kuwait Government spokesman has denied reports that ill-health could force the resignation of Sheikh Sabah As-Salem Sabah, ruler of Kuwait...

His Highness has no intention of making any changes in his responsibilities.

Arms trade curb

The Israeli trade union newspaper Davar, said yesterday the Carter Administration is holding up military supplies requested by Israel and wants to curb sales by Israel's aviation and military industries...

The paper quotes from a secret U.S. Government document on Israeli arms sales, allegedly drawn up by Mr. Laurence Gelb, a senior State Department official believed to play a key role in U.S. arms sales to Israel.

North Korean visit

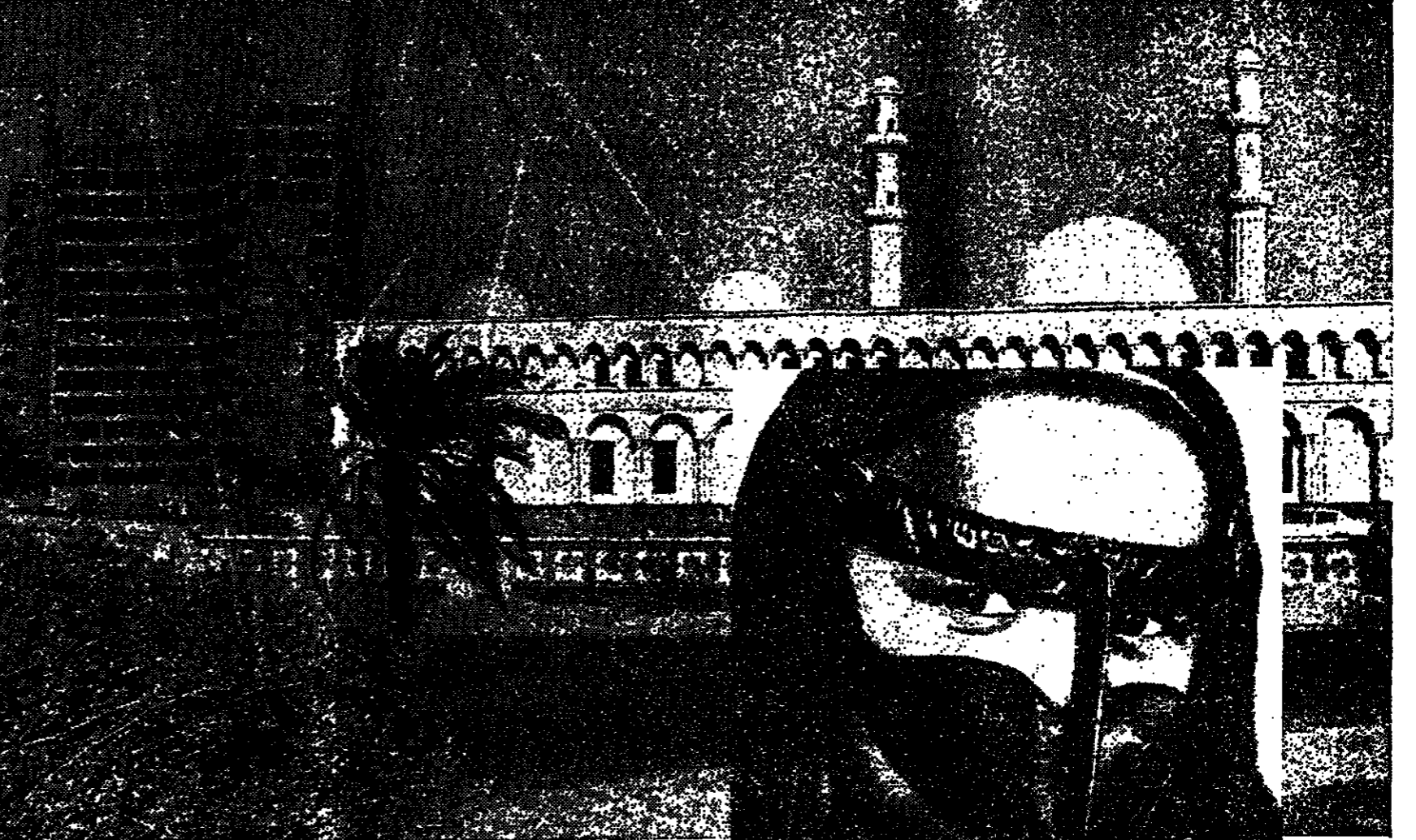
The first group of North Korean politicians ever to visit Japan flew in yesterday, despite strong protests from South Korea...

Dr. David Owen, the British Foreign Secretary, is pressing for consular access to British mercenaries jailed in Angola...

Iran oil output fall

Iran's oil production and exports fell by about 1m. b/d in April from March, a National Iranian Oil Company spokesman announced...

The true cost of flying building materials gave her a complex.



Advertisement for IAS Cargo Airlines. Text: 'The true cost was competitive skyrates offered by IAS Cargo Airlines for specialised all-freight services throughout the Eastern Hemisphere... The IAS service is now established as a viable low-cost alternative to surface transport and conventional air-freight...'

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**WORLD TRADE NEWS**

**Car parts company expands into France**

By Terry Dodsworth, Motor Industry Correspondent

THE FIRST significant British move into the Continental car replacement parts market is being launched this week by Armstrong Equipment with the acquisition of Automobilia, of Normandy.

Armstrong, which specialises in making shock absorbers, has paid £300,000 cash for 70 per cent of the French company which is currently turning over £3m. a year. Armstrong is based on Rouen, has five other branches throughout Normandy.

The move follows the rapid development of Continental manufacturing and exports by British component companies in the past few years. Distribution of replacement parts is an area into which the component companies themselves have been moving in force in the U.K., and now Armstrong is taking the concept overseas.

In Britain the idea has been to weld the fragmented parts distribution business into larger groupings and achieve improved earnings on the basis of better buying terms and modern stock control methods.

But in France, Armstrong also believes that it will have the advantage of being able to sell its cheaper British-produced components through the wholesale outlets.

Mr. Harry Hooper, chairman and managing director of Armstrong, calculates that British component prices average about 30 per cent less than French products. Although freight costs must be added in, he believes that could give the company considerably improved margins, and he is seeking to get a mix of about 30 per cent British products into Automobilia.

Armstrong's expansion into parts distribution began only three years ago in the U.K. Since then it has built up a chain of 160 wholesale parts depots throughout the country, and has also begun to open some retail outlets.

At the same time, the company has opened a new manufacturing operation in Spain, where it is one of the principal suppliers to the new Ford Fiesta plant.

**Capper-Neill \$42m. contract to erect Kenana sugar plant**

By James Buxton

CAPPER-NEILL has won a management contract is 50 per cent owned by the Sudan Government and the Sudan Lounho-managed Kenana Sugar Development Corporation. The project in Sudan. Work on the site began last week and the first phase of the contract is due to be completed by November next year.

The contract includes the erection of refinery buildings and 14 Arab governments. Smaller equipment including the cane crushing plant, boilers and steam turbines. The factory will have the capacity to crush 17,000 tons of cane per day and will produce more than 300,000 tons of sugar a year from an 80,000-acre estate. It will be one of the largest single producing units in the world.

The Kenana Sugar Company, Sudan and delays in committing which Lounho has a finance. The Kenana shareholders are now engaged in talks with Arab financial institutions (including the Kuwait Fund for Economic Development) in order to raise soft loans to complete the project. A substantial increase in the company's share capital, which is now \$100m., is also being considered. The shareholders are to meet later this month in Khartoum.

The equipment for the factory is being supplied by the French company Technip, while the boilers and generators are being built by Nishio Iwai. Relatively little equipment will have to be supplied by Capper Neill, but at the peak of the project the British company will be employing 750 men on the site.

**Call for harmonised stand on shipbuilding**

By Roy Rogers

OSLO, May 11

A SYSTEM of "semi-protection" for the European shipbuilding industry to ensure the future of the best production facilities while phasing out some of the less efficient units, was proposed yesterday by Mr. J. Graham Day.

Addressing the Norwegian Shipping seminar here, the former chief executive designate of British Shipbuilders, warned that without such harmonised action "very few" European yards would survive.

He suggested some form of cargo preference on a European not national scale and urged European ship owners not to disassociate themselves from any such scheme as "they might be next in line in seeking some structured environment."

Mr. Otto Norland, executive director of Hambros Bank, also urged a "substantial and irrevocable capacity reduction" but he came out against flag discrimination.

He was deeply critical of those governments that were encouraging speculative building programmes to protect their own shipyards and warned that the financial institutions might have to reconsider their attitudes to these industries.

**Soviet Union seeks bids for \$1bn. oilfield project**

By David Satter

MACHINIMPORT, the Soviet foreign trading organisation, has solicited bids from American, German, French and Japanese manufacturers for gas lift equipment for Samotlor and Fyodorovsk oil fields in preparation for a deal which may eventually be worth up to \$1bn.

The companies involved in the bidding for the first stage of the project, which is intended to improve the efficiency of Soviet oil extraction in the two rich west Siberian oil fields, are Mannesmann Export and Baker International of the U.S., Mitsubishi and Camco Technip Geoproduction, and Ishikawajima Harima Heavy Industries with its Otis Engineering and Brown and Root.

The Soviets are seeking to eliminate the need for secondary recovery methods in oil extraction in this major proposed use of gas lift methods. Until now, the Soviets have made extensive use of water injection for secondary and tertiary oil recovery and the CIA Director, Admiral Stanislaus Turner, recently told the U.S. Congress that Soviet oil fields are badly flooded.

Gas lift extraction involves the use of a continuous flow of recycled, compressed pumped gas deep into the well to bring oil to the surface. The Soviets will award the contracts for the gas lift equipment, one each for the Samotlor oil field, which has about 3,200 oil wells, and for the Fyodorovsk oil field, which has about 1,200 wells.

The gas lift equipment, which the Soviets are seeking as a package, includes surface automation equipment for collecting gas and separating it from oil, compressors for pumping the gas back into the wells and "downhole" equipment for monitoring the flow of compressed gas at the bottom of well shafts.

The first phase of the gas lift project, for which bids are being tendered now, foresees the construction of 13 gas gathering and compressor centres at Samotlor and four at Fyodorovsk to service a far larger number of wells. It is estimated that 1m. hp will be required to power all compressor centres for the entire project.

The compressors, however, probably will be driven by electric motors rather than turbines because they have already set up electric generating facilities in the area.

The contracts are to be awarded in the first half of this year with the first set of gas lift complexes to be built during the 1974-80 period.

The work is important because of Soviet oil production in traditional oil areas of the Soviet Union. The increase from 53m. in 1976 to 84m. tons in Year Plan 1 is to come from Western Siberia insufficient internal frequently makes recovery methods necessary.

**Ford plans truck plant in Egypt**

By our own correspondent

NEW YORK, May 11

FORD MOTOR Company has confirmed that the Egyptian Government has approved a technical feasibility study for the assembly in Alexandria of trucks and the manufacture of diesel engines. However, the American company remains on the Arab boycott of Israel blacklist and officials to-day in Detroit stressed that the Egyptian deal is still at the negotiation stage.

The deal as currently envisaged involves the assembly of medium-sized trucks in a joint venture with the Egyptian Motor manufacturer, Mast Automotive, using the existing Ford plant in Alexandria, which has continued to employ 200 people since 1966, when Ford was blacklisted.

The latest plan is understood to be a modified and more costly version of a project developed last year involving a \$100m. investment and a diesel production line, initially of 10,000 units a year but rising eventually to 50,000 units. A separate site outside Alexandria has been selected for the manufacture of diesel engines. It is not yet known whether this new plant would be considered to be in a free zone. In the new factory when and if it is built, the British Dorset four- and six-cylinder diesel engines would be made, as well as a six-cylinder turbo-diesel engine.

Technical problems for Ford, which has been negotiating in Egypt for almost two years, have always been and are still secondary to the political problem of the Arab blacklist. In July last year another version of the project came particularly close to fruition. At that time, President Sadat had prepared a decree by which Egypt would have unilaterally declared the Ford Motor Company off the boycott list.

Preparations had even been made for a visit to Egypt by Henry Ford to meet the Egyptian President, but everything collapsed at the last minute, when senior Egyptian Foreign Office officials realised that Ford would have been committing only a few million dollars of its own money to the then \$100m. project. Their attitude was that Mr. Sadat were to take the political risk of ignoring the boycott, the Ford Motor Company should be prepared to risk rather more capital of its own. It is understood that the new project would be Ford in a much greater capital investment.

The future of the deal in Egypt will have a considerable effect in Britain because the British Dorset engine will be the basis of the Egyptian venture. If Ford can overcome the political problem, the prospect of a huge Dorset line in Egypt will be a big boost for Ford's British production.

**\$15m. tractor deal**

By Kenneth Gooding

MASSEY-FERGUSON is the powered by a U.S.-built Perkins U.S. has received a \$15m. order for 60 hp engine. MF will be responsible for training the motive Manufacturing Company Egyptian technicians who will (NASCO) of Egypt to supply do the assembly work and the 2,100 sets of farm tractor components and parts to be built NASCO to develop the network of dealers and service facilities. The contract also covers the supply of spares.

**COMMERCIAL AGENTS**

**EEC proposes the best of all worlds**

By A. H. Hermann, Legal Correspondent

SELF-EMPLOYED commercial agents or representatives, concluding business in the name and on the account of their principal, should be rather pleased with the EEC Commission's latest effort on their behalf. The Commission's proposal, now before the Council of Ministers, aims at a co-ordination of the laws in member States in a way which seems to pick the best of all worlds for the commercial agents.

With the exception of the U.K. and Belgium all the member States have some sort of statutory regulation of the rights and duties of commercial agents. The EEC proposal is largely based on the German statute but goes even beyond this in provisions for the protection of a commercial agent's interests after the termination of his agreement. It would secure for him certain advantages deriving from the basic assumption of the French law that the commercial agent is a quasi-employee and as such should be protected against the economically more powerful principal who is seen to be in a role resembling that of an employer.

The draft directive defines the commercial agent as a self-employed intermediary who has continuing authority to negotiate and conclude an unlimited number of commercial transactions in the name and for the account of another person. The directive would therefore not apply to brokers appointed to negotiate or conclude in the name of the principal one or more specified transactions only. It would also not apply to insurance and credit brokers and agents.

**Commission**

The directive would ensure the agent's right to commission not only on the deals concluded by him but also on all sales effected by the principal without his assistance within the geographical area or within the specific group of customers falling within the agent's field. His entitlement to commission would continue even after his assignment came to an end where the transaction was negotiated by him or where it was mainly the result of his previous efforts.

There would be also protection for the agent whose principal ceases to make full use of his services. Unless the principal's conduct is due to circumstances beyond his control, he would have to continue to pay to the agent remuneration calculated on the basis of the average commission earned by the agent during the preceding 12 months.

Following closely on German case-law the draft directive proposes that after the relationship between the principal and the agent but also his successors should be entitled to an indemnity for the goodwill created by the agent for the principal. This would be due in particular, where the agent acquired new customers or has appreciably increased the volume of business with the existing ones and where substantial benefits of such goodwill will continue to accrue to the principal.

According to the draft the goodwill indemnity should not be less than 1/10th of the annual remuneration calculated on the basis of the average earned by the agent during the preceding five years but it should not exceed twice the annual remuneration.

The indemnity for goodwill would not be prescribed, of course, where the agreement provides for a continuing remuneration of the agent for transactions negotiated or agreed during its operation.

Although the commercial agent would have to obtain the principal's consent for carrying on of any activity involving goods or services which compete with those for which he has been appointed to represent the principal, agreements designed to restrict the agent's ability to compete with his former principal would be valid if made in writing. In addition the parties would not be free to eliminate the agent's competition entirely.

The draft directive prescribes notice in writing—increasing by one month for each year of operation—unless the duration of the agreement has been fixed beforehand. But any agency contract which continues to be performed after the expiry of the fixed period would be automatically converted into a contract for an indefinite period so that the prescribed periods of notice would apply.

Following the provisions of the French and the Belgian law, the Commission proposes in its draft that in the case of a natural insolvency whose income is mainly from a commercial agent who has been employed as a principal, winding-up proceedings should be opened, and shall then to some extent be on the principal on account of remuneration and payment of expenses in relation to the winding-up process. Curiously, Agents took exception to this because it is to them to be degraded status of commercial independent entrepreneur though they welcome the commercial agent's position in respect of claims against a principal.

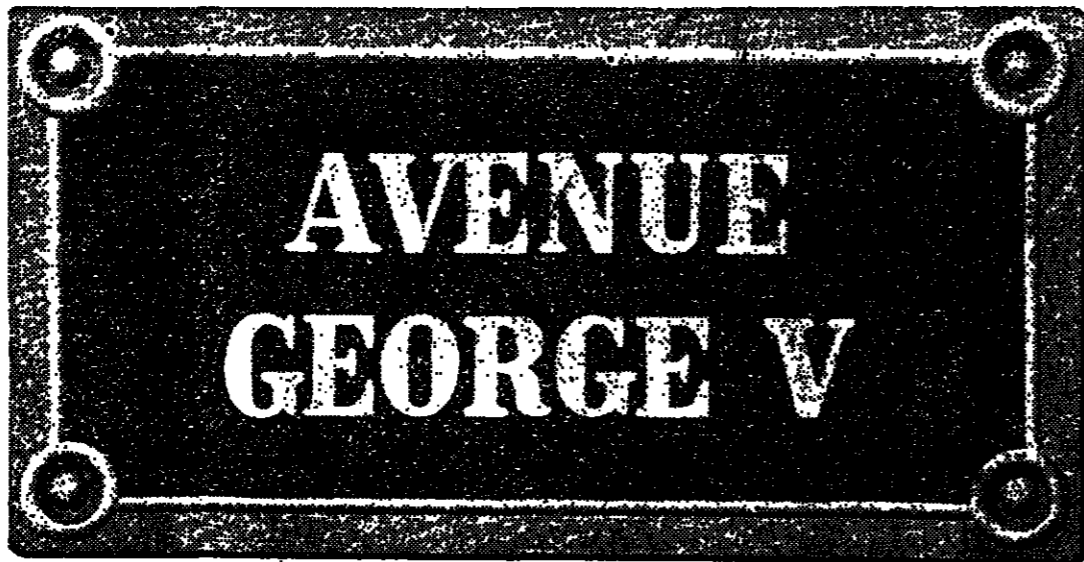
**Secrecy**

The commercial agent should also be bound by secret to his own benefit any actual or industrial secret after the contract has been terminated. He may or may not use such secrets if he can prove that his conduct accords with the principle of sound business.

The EEC draft contains a number of provisions to protect the practical first place the commercial agent should be obliged to separate from his own and to keep proper relating to accounts and to any other asset.

On the whole it seems the proposals would improve the position of commercial agents in the U.K. and also the position of those foreign agents of exporters whose negotiations are now concluded under the intention of the Commission is to obtain the approval of the directive for national legislation adopted by the end of 1972. The new rules should then take effect throughout the Community on July 1, 1980.

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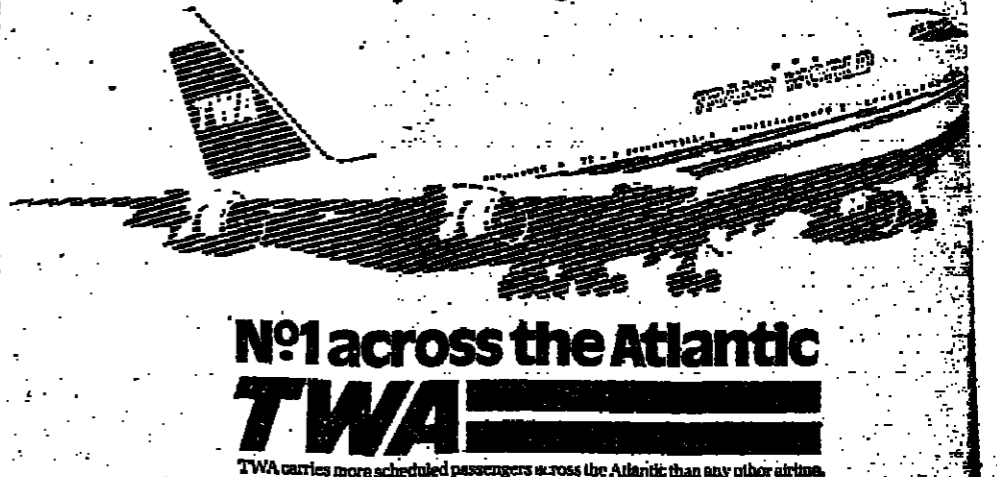
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# HOME NEWS

## Judge upholds 'Swiss franc' mortgage

MORTGAGE agreement, in which the lender was linked to the value of the Swiss franc, and which was valid, a High Judge ruled yesterday. The lender had argued that the mortgage was void because the franc had fallen in value, but the judge found in favour of the lender.

case, there was no sharp practice. The lender was not a moneylender and the borrowing company was in a flourishing state of business. The judge felt sympathy for the borrowers, who would suffer considerable hardship through the fall in the value of the pound, the provisions of the contract were valid and enforceable.

## Ford increases Cortina output

BY TERRY DODSWORTH

FORD U.K. is stepping up production of its Cortina by about 20 per cent to cope with demand for the car, for which there is a five-month waiting list.

## Varley: Priority for industry

THE GOVERNMENT still had to conquer people's lack of understanding that industrial profits were necessary to pay for social objectives, Mr. Eric Varley, the Industry Secretary, said yesterday.

## Nuclear plant 'can earn £600m.'

BY DAVID FISHLOCK, Science Editor

BRITAIN can earn at least £600m. in foreign currency by building a 1,200 tonne-year chemical plant for reprocessing spent nuclear fuel at Windscale, Cumbria, British Nuclear Fuels said yesterday.

## Port of London cuts its losses by £6m.

THE PORT OF LONDON AUTHORITY has cut its losses by £6m. in the first six months of this year, compared with an increase of £2m. in 1976. The authority's chairman, Lord Aldington, said the port had been respectively £10m. in the red in the first six months of 1976 and £12m. in the first six months of 1977.

## HP gap closed

By Our Consumer Affairs Correspondent

THE GOVERNMENT has closed a loophole in the hire-purchase regulations to prevent private traders breaking the spirit of the regulations by using rental agreements as a way of offering extended credit.

## Improved

So far this year, Ford has sold fewer Cortinas in the U.K. than in 1976—46,683 against 51,592—and the expansion is clearly designed to get production back to a higher level now that the new Mark IV model has been bedded in.

## Industrial scholarship scheme

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

INDUSTRY is to be asked to provide funds with Government for a scholarship scheme to encourage youngsters with high industry more attractive to the academic ability to take courses in engineering and technology.

## Loan for Welsh extrusion plant

BY DAVID FISHLOCK, Science Editor

EXTRUSION FACILITIES, of Gellijaer near Caerphilly, South Wales, is to receive £55,000 from the Welsh Development Authority in the form of a large minority shareholding and a loan to finance expansion plans which would raise sales from £1m. to £5m. over the next three years.

## Police worried chemical accidents

INCIDENTS of chemical accidents in North Wales increased by 77 per cent in 1976, said the chief constable, Mr. R. P. Boyes, in his annual report. Police are concerned that the number of accidents had been evacuated in 1976.

## Green Shield redemptions increase by 30%

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

REDEMPTIONS of Green Shield stamps have increased by about 30 per cent since the announcement on Monday that Tesco is to drop trading stamps from its stores on June 8.

## Leyland down

Chrysler output has also gone up from 2,517 cars a week in the first quarter of last year to 3,210 and Vauxhall's from 2,132 to 2,394.

## Loan for Welsh extrusion plant

EXTRUSION FACILITIES, of Gellijaer near Caerphilly, South Wales, is to receive £55,000 from the Welsh Development Authority in the form of a large minority shareholding and a loan to finance expansion plans which would raise sales from £1m. to £5m. over the next three years.

## Peak for ice-cream sales

BY JAMES McDONALD

LAST YEAR was a record for U.K. ice cream sales with the sales total reaching a peak of £264m., according to a report produced by the Wall's Ice Cream Organisation.

## London-Bristol to reopen

REGIONAL's main London-Bristol route, used by the 125 trains, will be reopened after the clearance of the Swindon and Oxford lines since early April.

## Peak for ice-cream sales

Most of the ice cream for export to the Middle East was manufactured in the company's Gloucester factory. The report singled out the trade with confectioners, tobacconists and newsagents for their big sales and their importance in the development of the total ice cream market.

## NEWS ANALYSIS—CHAIN CHEMIST'S U.S. BID boots too big for Britain

BY KEVIN DONE, CHEMICALS CORRESPONDENT

BOOTS its bid for Glaxo is the largest retail chemist ever made in the U.S. It is an endeavour to establish a presence in either retailing or in manufacturing and marketing. Boots' bid for Glaxo is the largest retail chemist ever made in the U.S. It is an endeavour to establish a presence in either retailing or in manufacturing and marketing.

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HOME NEWS

Unilever chairman attacks controls on dividends

FINANCIAL TIMES REPORTER

MR. DAVID ORR, chairman of Unilever Limited, U.K. arm of the Anglo-Dutch corporation, yesterday hit out at the Government's control on dividends. The controls, he said, were arbitrary in operation, unfair to shareholders and damaging to the country.

EEC caution

Moreover, the controls were also damaging to the economy because they restricted and distorted the flow of capital through the stock market into industry. Companies with surplus cash were prevented from distributing it for investment elsewhere.

Textile co-operative report due to-day

BY RHYS DAVID, NORTHERN CORRESPONDENT

A FEASIBILITY report on establishment of what would be Britain's first textile workers co-operative at the Skelmersdale plant, closed by Courtaulds at the end of last year, is due to be presented to union leaders by consultants to-day.

with the Industrial Common Ownership Society—a body promoting workers co-operatives—should report favourably, an approach is likely to be made by the unions for Government aid.

Europe. There were many signs that the public no longer retained its faith in the contribution a truly integrated Community could make to its social and economic well-being. The Community's belief in itself, its ideals and its future was visibly declining.

Scrap trade call to end strict curb on exports

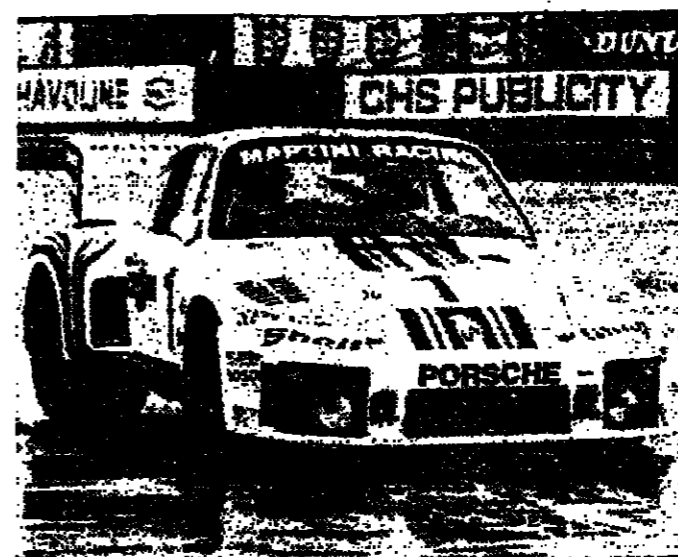
FINANCIAL TIMES REPORTER

ANOTHER ATTEMPT to persuade the Government to relax the stringent controls on the export of scrap to countries outside the EEC was launched yesterday at the annual conference of the British Scrap Federation in Torquay.

Porsche expected to dominate round three at Silverstone

BY JOHN GRIFFITHS

SIX twin-turbocharged Porsche 935/77s, ranked among the world's fastest racing cars, will make their British debut at Silverstone on Sunday.



Porsche—a powerful challenge.

Also making its racing debut in the Kossel Carpets-sponsored Six-Hours Race will be the 5.3 litre Aston Martin VS of British drivers Robin Hamilton and David Preece. For them, the race is a shake-down for next month, when they will make the first serious challenge by an Aston Martin at Le Mans since the Newport Pagnell company quit racing following its spectacular 1-2 victory at the French classic in 1976.

prime challenger for outright victory must be the work Martini 935 piloted by grand prix drivers Jochen Mass and Jacky Ickx. The 935s are remarkable in that, despite their sophistication, they can be bought virtually "off-the-peg" from the Stuttgart factory. The price exceeds \$50,000.

Accountants seek to work throughout EEC

THE COMMON MARKET'S expected to be published later in the year. It is also intended to draw up a proposal dealing with the mutual recognition of the different qualifications within the Community acceptable for the performance of statutory audits throughout the Community. Studies are being carried out to produce a draft of such a proposal.

Morris garage row in Oxford

OXFORD CITY Council faces a row at its meeting next month following an application by New College to demolish a garage it owns in Longwall Street, erected in 1911. It was in that garage that Lord Nuffield, the motor magnate of the inter-war years, built his first car before moving production to Cowley.

Losses by world railways 'enormous'

By Ian Margreaves, Transport Correspondent

BRITISH RAIL'S losses are insignificant when compared with the deficits of railways in Germany and France, according to Mr. Paul Goldack, director of the latest edition of *World Railways and Rapid Transit Systems*.

His comments come in the wake of considerable debate over the future of British Rail, following the Government's announcement that it will transport White Paper on the subject.

One of the reasons for the catastrophic performance of railway companies was the governments had reckoned for their plans. In the 20 years of nationalisation, there has been a steady decline in the number of rail lines. Even in Japan, where industries had benefited from Government subsidies, railways had been a net drain on the economy.

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Government and public debts abroad more than \$22bn.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

FOREIGN CURRENCY debts of the Central Government and the rest of the public sector now total \$11.5bn. Of this more than \$2.2bn, of which over \$1.7bn will have to be repaid between 1979 and 1984.

debts of \$10.7bn. of which \$9.7bn. is under the exchange risk, which is borne by the Government in the form of interest payments.

Table with 10 columns: REPAYMENT OF FOREIGN CURRENCY DEBT OF THE U.K. PUBLIC SECTOR 1977-1984. Rows include IMF oil facility, HMG \$2.5bn. loan, HMG \$1.5bn. loan, IMF oil facility, May 1976 drawing on 1st credit tranche, January 1977 drawing on \$3.5bn. standby, Foreign currency bonds, Long-term debt, Borrowing by other public sector bodies, and TOTAL.

Advertisement for TWA flights: 'New from TWA: A daily non-stop to San Francisco'. Includes an image of a TWA airplane and the slogan 'No.1 across the Atlantic'.

Handwritten note: 'copy 10/1/77'

**HOME NEWS**

**U.K. advances its North Sea oil target**

By Ray Dafter, Energy Correspondent

**NORTH SEA** oil production will make Britain self-sufficient in oil by 1979, a year earlier than the Government's target, according to a statistical review of the industry.

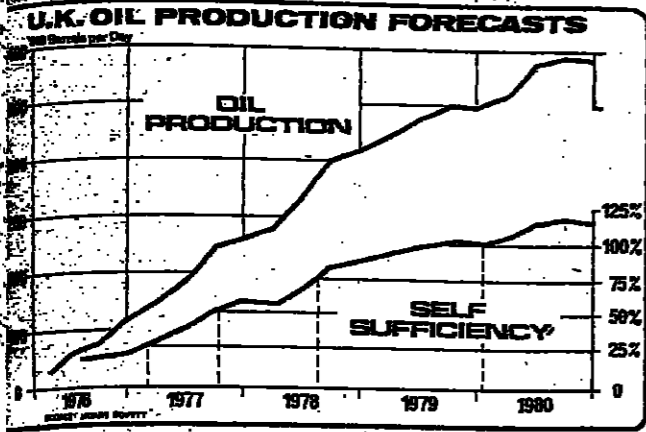
With nine fields expected to be on stream by the end of the year, the daily production should meet 50 per cent of needs by Christmas.

Mr. Goyett, in his publication, predicts that production will level at 2.2m. barrels a day in the early 1980s, 15 per cent above the requirements.

The figures are roughly in line with those announced recently by the Department of Energy, which shows that by the early 1980s Britain could be producing more oil than Kuwait, Iraq and Nigeria.

The report points out that North Sea oil has high quality, low sulphur characteristics which enable it to be sold at a premium. The price of British Petroleum's Forles Field crude, for instance, is estimated to be \$14.10 a barrel.

Capital expenditure associated with the development of 15 oil and two gas fields is believed to be £10bn. Spending should reach a peak of £2.2bn. this year, falling to well under £1bn. by 1979.



**Public Record Office move starts Monday**

By Gerry Butcher

**THE MOVE** of the Public Record Office to new premises in London will begin on Monday, May 15.

The new purpose-built block, approved by the Lords in November 1969, Building 30, is situated in the Strand, near the Admiralty Arch, and will be the largest library-planning, document reproduction and computer indexing centre in the world.

The PRO's present main office, in Chancery Lane, will be closed on Monday, May 15, and the new premises in Strand will be opened to the public in October.

The move from central London comes at a time when there has been a slight decrease in the number of visits to the search-rooms, down by 1 per cent in 1976 compared with the previous year's total 89,300.

But there has been a build-up of interest in the records of the Foreign Office and Cabinet Office for the immediate post-war period, as well as in those of the Home Office, the Admiralty and the Royal Air Force, with authors and film and television scriptwriters relying on public records more and more for an accurate account of specific wartime events.

The Public Record Office currently costs £1,500m. a year to maintain in salaries and administrative expenditure. Against that it is estimated to have recouped £260,000 during 1976-77—most of it from charges for photographic and reproduction services to the public.

Eighteenth annual report on the work of the Public Record Office and eighteenth report of the Advisory Council on Public Records, Commons Paper 323, SO. 60p.

**'Over-regulation' threat to business aircraft**

By Michael Donne, Aerospace Correspondent

**THE** possibility of over-regulation of the business aircraft industry is a growing threat to the availability of the facilities necessary for efficient operation, while a self-generating and all-enveloping bureaucracy adds further costs, riding on the back of unprecedented inflation, to make economic operation a major problem.

He said that the vigilance of the members had so far blocked much of the over-regulation imposed on other sectors of civil aviation.

"But the bureaucracy's insatiable appetite for funds may soon encourage it towards restrictive legislation and regulation, inevitably accompanied by new charges, in areas of business aviation which are at present operating efficiently and with reasonable economy."

"It will be essential to maintain vigilance if business aircraft are to continue satisfactorily to serve the Association's member companies."

**Tories reconsider devolution to-day**

By Ray Pezman, Scottish Correspondent

**THE CONSERVATIVE** Party will reconsider its policy on devolution to-day when its Scottish conference at Perth debates a motion which would denote the issue as a political priority.

The move is indicative of a cooling within the Shadow Cabinet towards devolution. The opposition spokesman, Mr. Francis Pym, is expected when he replies to the debate to urge a rethinking of the existing policy, which is based on proposals by Lord Home.

A similar line is expected to be followed by Mrs. Margaret Thatcher when she addresses a post-conference rally on Saturday.

The motion selected from more than 50 put forward by constituents calls for a "searching re-examination of the entire structure of Government as the basis of fresh proposals for effective devolution." It will be moved by Mr. Ronald Anderson, a former chairman of the conference.

It is sufficiently loosely worded to be able to unite both pro and anti-devolutionists, thus avoiding a repeat of the split last year when Mr. Ian Sproat, MP for South Aberdeen, led an attempt to drop the commitment to set up a Scottish assembly.

**Uncommitted**

The anti-devolutionists will take comfort from the fact that a future Conservative Government will not be committed from the outset to any particular policy, while those in favour of devolution will be pleased that the party at least has not renounced the principle.

One of the leading pro-devolutionists, Mr. Alec Buchanan-Smith who resigned from the Shadow Cabinet because of Conservative opposition to the Government's devolution Bill, yesterday called for a federal structure for the U.K. It should include powerful assemblies for Scotland, Wales and Northern Ireland, which should have the power to raise some of their own revenues.

But, in an article in The Scotsman, he made clear that any new policy should be adopted only after detailed consideration. "Constitutional change is not something to be toyed with. It has to be durable; we cannot chop and change our constitution every few years," he wrote.

**Carpet industry goes on to short week**

By Peter Cartwright, Midlands Staff

**SHORT-TIME WORK** in the carpet industry around Kidderminster and Stourport is expected to grow this summer.

This week another 500 men and women will lose up to two days a week and with fewer new homes being built—the industry's guideline—the industry fears that last summer's slack pattern will be repeated in more acute form.

At Quayle Carpets 400 in the Axminster section have been put on a four-day week. At Victoria Carpets nearly 100 in the Axminster department are to work a three day week indefinitely.

In the past year the district has lost some 450 people through redundancy and helped to increase the unemployed overall total to 2,200. The increase in engineering and alternative jobs has helped to keep the percentage in the Kidderminster area to 5.4 per cent.

Strong exports have been responsible for offsetting much of the downturn in the U.K. markets. Last year the industry laid down more than £112m. of overseas business, a 51 per cent increase over 1975. But this year demand is less responsive in most markets.

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Until the end of August your Fiat dealer will help you personalise your 132 with the accessories of your choice. To the value of \$150. Completely free of charge. Remember the 132 GLS and the 132 ES are already very well equipped. But this rather generous offer does mean you can personalise your car still further to suit your own requirements. It has, of course, all the power, comfort and strength expected of a luxury saloon. But it also possesses something else. And that is a quite exceptional drivability. These are results of the 132's combination of advanced features: twin overhead camshaft engine, five-speed gear box, four wheel servo-assisted disc brakes and ergonomic seat design. It all goes to make the 132's adjustable steering wheel a rare pleasure to sit behind. Until 31st August another remarkable feature of the 132 is the special low interest on Fiat Finance's personal loan scheme, which at 7%\* is a good deal cheaper than you'll find elsewhere. Contact your nearest Fiat dealer and he'll be happy to drop round to your home or your office with a 132 for you to test drive.

**FIAT 132 ES**

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The 1600 GLS starts at \$9098. The 1600 ES from \$8873, shown above is available with manual or automatic transmission. (Car tax, herds red seat belts and VAY included. Number plates and delivery charges extra) \*7% per annum flat is equivalent to a true rate of interest of 10.7% per annum (Loans are subject to applicant's credit-worthiness). Offer open to customers who buy and take delivery of a new Fiat 132 before August 31st 1977 and subject to availability. Prices correct at time of going to press.

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# Woman in labour

by NIGEL ANDREWS

**Illustrious Corpses** (U) Gate and ABC, Fulham Road  
**Other Cinema**  
**Paris-Pullman** and **Phoenix**, East Finchley

When was there last a week in which the most interesting film on view was a British one? Not, I venture to suggest, since the last time a British Film Institute Production Board film reached our screens; to wit, four years ago with *Chuck & Buck*. The William Dumas's *Night on the Alley*, *Riddles of the Sun* is an independent film made by the BFI, written and directed by Peter Wollen and Ira Mulvey, and building on those hitherto sublimely incompatible filmic traditions, commercial narrative cinema and non-narrative experimentalism.

Mulvey and Wollen have taken women's liberation as their theme, but rather than her budgeting us with a message with the blandishments of a Good Story, they have stated their own fascinatingly glib cinematic hybrid: a stage of episodes, contrasting style but symmetrical in arrangement, built around the trial portrait of a young woman whose broken marriage is the focus of the first act. The outer episodes rising

psychological plane, it tries to explore the nature and psychic origins of the submissive role woman has inherited in a patriarchal society. The last two scenes of the girl's story comprise, respectively, the recital of a girl friend's dream and a visit by the mother and her child to the Egyptian room of the British Museum. Some of the answers to female liberation, the film suggests, can be found in political action. But most of the questions lie deep in woman's own past and her own unconscious.

The film, in summary, sounds dauntingly labyrinthine. I urge you not to be daunted. In experience it is both powerful and fascinating. The eye is drawn to the case thinks otherwise. Every trail he follows leads to the door of a government ministry; and it is soon discomfitingly apparent that the assassinations comprise a giant provocation campaign intended to ignite the conflict between left and right, and to furnish a pretext for totalitarian rule.

The Entertainment Guide is on Page 35

parable it never quite adds up to the sum of its beautiful parts.

It is still in a different class from Volker Schlöndorff's *The Last Honour of Katharina Blum* Schlöndorff was cited in a recent BBC programme, along with such as Fassbinder and Herzog, as one of the handful of young directors who forged the New German Cinema. But he is highly flattered by such a citation. First at 38, Schlöndorff is several years' senior to his wunderkind compatriots. Second, his films have made nothing like the same international impact as theirs. *Katharina Blum*, made in 1975, was a critical and commercial hit in Germany, but has been seen little elsewhere (unlike the films of Fassbinder and Herzog, which flourish in most Western countries except Germany). Schlöndorff is a film-maker with all the right radical-liberal reflexes but nothing like the genius of his fellow Germans for translating young ideas into young images.

The story, based on a novel by Heinrich Böll, tells of a young woman who helps a fugitive bank robber. After spending the night with him, she helps him to place of concealment. The police and the media promptly descend upon her apartment, paying for information. But the girl remains silent. The film suggests that her name is soon black and vilified as that of the man she helped. She is branded anarchist, traitor, prostitute in-turn, and finally she is tricked into revealing the man's hiding place.



Lino Ventura (centre) as the inspector in 'Illustrious Corpses'

## Festival Hall

# Mass in B minor

by RONALD CRICHTON

For their last concert of the season, the Royal Philharmonic invited Giulini, with the idon Philharmonic Choir and orchestra and an imposing list of soloists, to give Bach's in B minor. Expectation high, the hall as might be expected was full, the audience varied pleased, and yet.

## Elizabeth Hall

# Malcolm Arnold

by NICHOLAS KENYON

"I usually get behind—but I'll try not to do so tonight," said Malcolm Arnold, engagingly introducing a performance of his own *Viola Concerto* in which he conducted the London Mozart Players with soloist Roger Best.

## Hampstead conserved

by H. A. N. BROCKMAN



Hampstead Garden Suburb this year celebrates its seventieth anniversary. The whole of this very fine piece of town planning is now a conservation area. The central part, built between 1907 and 1914, has moreover been designated as a special conservation area.

## Elton John's top song

The Elton John-Bernie Taupin song "Don't go breaking my heart" won the PRS-Ivor Novello award yesterday as the best British pop song of 1976.

## National Folk Day '77

On June 18, 1977, English folk music, dance and song will be performed in the streets, on the greens, in pubs and halls all over the country by amateurs and professionals alike.

# "Shell is investing £1 million a day in the North Sea"

The Annual General Meeting of The "Shell" Transport and Trading Company, Limited, British parent of the Royal Dutch/Shell Group, was held in London yesterday. The Chairman, Mr. C.C. Pocock, made the following points:

Let no one talk of unwillingness to risk or unwillingness to invest. Shell is putting over £1 million a day into the hostile waters of the North Sea and by the end of 1980 will have spent about £2,500 million on British offshore oil and gas. On land too, Shell has been spending between £75 million and £100 million a year on developing its British refining, marketing and chemical activities.

Handwritten text: *دنيا*

All of these securities having been sold, this announcement appears solely for purposes of information.

April 28, 1977

# Cummins Engine Company, Inc.

900,000 Shares  
Common Stock  
(\$.250 par value)

Of the 900,000 shares of Common Stock being offered, 700,000 shares are being sold by the Cummins Engine Company, Inc. and 200,000 shares are being sold by certain Selling Stockholders. No part of the proceeds of the sales by the Selling Stockholders will be received by the Company.

The First Boston Corporation

Merrill Lynch, Pierce, Fenner & Smith Incorporated	White, Weld & Co. Incorporated
Bache Halsey Stuart Inc.	Blyth Eastman Dillon & Co. Incorporated
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Kuhn Loeb & Co. Incorporated	Lazard Frères & Co. Incorporated
Paine, Webber, Jackson & Curtis Incorporated	Lehman Brothers Incorporated
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	Kidder, Peabody & Co. Incorporated
	Loeb Rhoades & Co. Inc.
	Salomon Brothers
	Dean Witter & Co. Incorporated
	Warburg Paribas Becker Inc.

# SALE BY TENDER

## Assets of Provincial Refining Company Limited

Sealed tenders marked "DO NOT OPEN - TENDER - Provincial Refining Company Limited" will be received by the undersigned until 3:00 p.m. (Local Toronto time) on the 15th day of September, 1977, for the following assets of the above company.

The Come-by-Chance Refinery and offsite facilities located at Come-by-Chance, Placentia Bay, Newfoundland, Canada. The design capacity of the refinery is 105,000 BPSD based on design cases for Kuwait and Light Iranian Crude.

- Process Units and Design Capacities:
- 105,000 BPSD Crude, Vacuum distillation unit
  - 18,000 BPSD Visbreaking\* unit
  - 26,700 BPSD Platforming\* unit (Catalytic Reformer)
  - 18,800 BPSD Distillate Hydrobon\* unit (Hydrotreater)
  - 35,000 BPSD Distillate Isomax\* unit (Hydrocracker)
  - 19,800 BPSD Naptha Hydrobon\* unit (Hydrotreater)
  - 66 million scfd Hydrogen plant
  - 6,300 BPSD Light Straight Run (LSR) Mercox\* unit (extraction and sweetening)
  - 14,200 BPSD Kerosene Mercox\* unit (sweetening)
  - Light ends recovery and treating unit
  - 22 million scfd amine regeneration unit
  - 200 LT/D Sulphur recovery unit \* Processes licensed from UOP Inc.

- Related Facilities, including:
- complete utilities plant
  - tankage
  - crude and product pipelines

Designed Range of Marketable Products, Calendar-Day Output (Balanced Process Yield from Design Feedstocks)

— propane	300	1,100
— gasoline	29,500	28,750
— jet/kerosene fuel	5,700	23,000
— no. 2 fuel oil	41,400	16,000
— no. 4 fuel oil	—	15,600
— no. 6 bunker oil	16,100	4,100
— residual	—	5,400
— sulphur (st/d)	164	152

- pollution control system with:
  - API separator
  - effluent biological treatment
  - 250 foot H<sub>2</sub>S incinerator stack
  - 200 foot waste-gas flare stack
- warehouse and spare parts
- suitably furnished office building
- central control room
- laboratory
- accommodation facilities consisting of:
  - motel units
  - bunkhouse campsite
- machine shop
- fire and ambulance building

The use of port facilities comprising a tanker jetty and material handling jetty is subject to negotiation with their Government owners. There is rail access to the refinery from the Canadian National system.

Tenders must be accompanied by a deposit in the form of a certified cheque, letter of credit, bank draft or bond of one per cent (1%) of the amount tendered which will be refundable if the tender is not accepted. Details of the procedure for

tender and the terms and conditions of sale may be obtained from the undersigned.

The highest or any tender shall not necessarily be accepted and the right to reject any and all tenders is reserved.

The refinery was started up in December, 1973, shut down in February, 1976 and is now mothballed in accordance with advice from experienced operations personnel of The British Petroleum Co. Ltd.

Appointments for inspection of the assets may be arranged by contacting Mr. Paul A. Hayes at (416) 863-3603 or Mr. Gary F. Colter at (416) 863-3453 or telex Veritatem no. 06-217692.

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## Race body defends submission

The COMMUNITY Relations Commission hit back yesterday at a Press Council suggestion that its submissions to the Royal Commission on the Press mis-understood the role of the press in society.

The Commission said that the emphasis of its recent submissions on race reporting "is that editors and journalists should pay particular attention to their traditional responsibilities to report accurately and objectively in a sensitive area of race relations."

One of the Commission's recommendations was that editors should examine their editorial policy in order to ensure that the style or content of their reporting on race relations does not encourage or reinforce hatred and hostility.

It said that "a timely reminder that this happens is provided by Mr. Justice Neil Lawson, who is reported as saying on Monday of this week that the police faced a very dangerous situation in Southall last summer, partly owing to the way the matter was dealt in various sections of the media."

"He said that publicity given to a fight had been of a very 'horridly' character and had borne absolutely no relationship to the facts of the case as he and the jury had heard them in evidence."

The Press Council said earlier this week in its comments on the submissions to the Royal Commission: "In its examination of the responsibility and duty of the press, the role of the press in society is almost wholly misunderstood. Understanding the authors made a subjective approach to the whole matter—the kind of approach, incidentally, which they condemn so wholeheartedly in the press."

## PERSONAL

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## ENTERTAINMENT GUIDE

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<p><b>COLUMBIAN</b> 336 51st St. CC 240 82580 The Royal Festival Ballet Tonight and Mon. 7.30. Tickets at £10, £12, £15, £18, £20, £22. Box Office closed. Tickets on sale from 10am on day of perf.</p> <p><b>ROYAL OPERA</b> 7.30. Tickets at £10, £12, £15, £18, £20, £22. Box Office closed. Tickets on sale from 10am on day of perf.</p> <p><b>ROYAL OPERA</b> 7.30. Tickets at £10, £12, £15, £18, £20, £22. Box Office closed. Tickets on sale from 10am on day of perf.</p> <p><b>ROYAL OPERA</b> 7.30. Tickets at £10, £12, £15, £18, £20, £22. Box Office closed. Tickets on sale from 10am on day of perf.</p>	<p><b>ELLIOTT LUI</b> 01-437 2061 Tonight and Mon. 7.30. Tickets at £10, £12, £15, £18, £20, £22. Box Office closed. Tickets on sale from 10am on day of perf.</p> <p><b>THE COMMUNITY Relations Commission hit back yesterday at a Press Council suggestion that its submissions to the Royal Commission on the Press mis-understood the role of the press in society.</b></p>	<p><b>PHOENIX THEATRE</b> 01-836 2611 Tonight and Mon. 7.30. Tickets at £10, £12, £15, £18, £20, £22. Box Office closed. Tickets on sale from 10am on day of perf.</p> <p><b>THE COMMUNITY Relations Commission hit back yesterday at a Press Council suggestion that its submissions to the Royal Commission on the Press mis-understood the role of the press in society.</b></p>



# Indexation v. analysis by CHRISTOPHER HILL

WHILE IT may not be true that every passing trend in the U.K. is automatically reflected in the U.S. a few years later, recent developments in the U.S. securities business are now just beginning to have a backwash in Britain. These concern what is known as the Efficient Market Theory which is starting to have a significant influence on the philosophy of fund management in the U.S. and to produce what a recent article in the U.S. magazine Institutional Investor decided to call the New Investment Technology (NIT). The Efficient Market theory itself comes in several different strengths, but its most obvious implications are that most of the efforts of fund managers to beat the market and outperform their rivals are a waste of time and that investors would be better off in Index Funds which aim only to match the performance of the market, as interpreted through a chosen index. The idea is to match the investments in a portfolio with those in the selected index.

of the National Investor Relations Institute. "Why have so many practical men decided to be enthralled by the developers of the Efficient Market Hypothesis and its lusty brat, the Index Fund?" The answer is that the men who manage equity funds on behalf of others have emerged from the 1974-75 stockmarket hurricane with considerably reduced confidence in their own expectations of beating the market indices.

## Confidence

Of course the same circumstances apply here as well—investors' confidence in equities has not recovered completely since 1974. But the natural tendency of Americans to seize on a new idea, has meant that NIT and indexing have made considerable progress there. Even those who were originally sceptical are now jumping on the bandwagon. The ball started rolling in 1971 when Wells Fargo actively marketed an index fund. It was soon joined by American National Bank and Batterymarch and the biggest customers were the U.S. pension funds. Subsequently there were also big names like Ford and Exxon which have set up their own in-house index funds and in March three of New York City's largest municipal pension funds caused a stir by opting to convert a \$200m. slice of their equity assets to a special index fund based on

Standard and Poor's 500 common stock index. In the U.K., fund managers seldom take much notice of academic stockmarket theoreticians, preferring to regard the "real" world of hard knocks as being a better school. But we do have a number of academic proponents of the Efficient Market Theory here, including Professor Richard Brealey of the London Business School who has an international reputation and thinks that index funds are sensible—without being absolutely hard-line about it.

The point is that—taking the basic notion that stock prices accurately and rapidly reflect all available information—"like bourbon the hypothesis is available in various strengths" (Harrison V. Smith). The weak form is closely related to the "random walk" theory which holds that current share prices reflect all the information in past share prices but successive share prices are independent in a statistical sense. The semi-strong version is that share prices reflect accurately and quickly all public information and indeed often appear to anticipate this information—implying for example that one can't make money on the chairman's report. Professor Brealey reckons that this version rejects analysis of the basic kind and it is difficult to test. But he says that it looks as if it is true. But the most threatening

form of the Efficient Market Hypothesis to the fund management business is the "high strength" version. This holds that current security prices reflect not only all relevant publicly available information but also anything else the analyst might come up with. The evidence for this is more circumstantial and consists of looking at the performance of funds—arriving at the conclusion that there is no evidence that funds can outperform the market consistently.

Naturally conclusions like these are not accepted without question. One point argued on both sides of the Atlantic is whether the market is truly efficient anyway (disregarding elements of insider dealing). Harrison Smith believes that the efficiency of the market varies as general interest in stocks waxes and wanes.

His main point is that the 1973-75 period was such an exceptional one for the stock market that it is unfair to assume that funds run on traditional lines will not again approach the superior levels of performance achieved in more normal times.

Another point frequently made by the sceptics is that if the market is made rigid it will lose its efficiency and there will always be plenty of managers around to take advantage of anomalies. But it is probably not the case that "passive" index funds and "actively" managed

funds need be mutually antagonistic. The trend in the U.S. seems to be that, while many managers admit that there is a case for indexing at least a proportion of their equity funds as a "passive core," this still leaves them with the flexibility to put greater research effort into managing "active" funds based on stocks which are less efficient markets.

The situation in the U.K. and Europe is that the Efficient Market Theory is viewed in some quarters as just another American fad which will become yesterday's news in just the same way as the "gunslingers" of the late 1960s found that following the "nifty 50" growth stocks was not the entire answer to stockmarket performance. Also there is a psychological barrier to accepting "efficient market" arguments among managers who have spent their working lives trying to keep one step ahead of the game.

But while, for example, Mr. Brian Medhurst, deputy investment director of the Prudential, believes that there is "still a lot of evidence that you can beat the market" and is not contemplating indexation, the efficient market theory gets a more sympathetic hearing in other quarters. For instance, Mr. Alwyn Conlong, General Manager—Investments of the ICI Pension Fund (with around £400m. in equities), believes that the market is efficient in leading stocks and while he can try "to nose in front of the

efficient market, the chances of succeeding are not great for a big fund."

Inevitably in the U.K. there are peculiarities of the tax situation which make it advantageous for people to invest in managed funds of equities whether the managers beat the market or not. Besides, matching service for institutional investors and is in the process of setting up an index-linked tax exempt fund for pension funds in conjunction with a leading firm of pension consultants. But it cannot be dealing costs would be, and Japanese Index funds—neither said to amount to much by whether they would introduce of which have exactly set the comparison with the interest a market timing element or take Thames ash. In a wider context there is also the total indexed funds are thought Industrial Index Fund, to amount to over £2bn. sponsored jointly by Pierson. But the people who are really to and fro for some time to Holding and Pierson, Crédit in the firing line when consider-

ing the index-linked alternatives to the Dow Jones Index. So are the investment trusts and far this seems to have attracted the unit trusts—especially the individual investors' interest unit trusts which regularly lack their own professional investment management, or either beating the market, their expertise in the U.S. market, competitors or both. Perhaps the immediate point bridge also offers an index in their favour is that it is by no means easy to set up an investment trust and is in the index-linked fund. First the process of setting up an index-linked tax exempt fund for pension funds in conjunction with a leading firm of pension consultants. But it cannot be dealing costs would be, and Japanese Index funds—neither said to amount to much by whether they would introduce of which have exactly set the comparison with the interest a market timing element or take Thames ash. In a wider context there is also the total indexed funds are thought Industrial Index Fund, to amount to over £2bn. sponsored jointly by Pierson. But the people who are really to and fro for some time to Holding and Pierson, Crédit in the firing line when consider-

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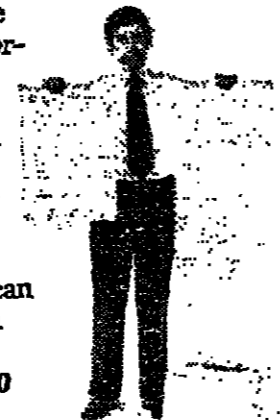
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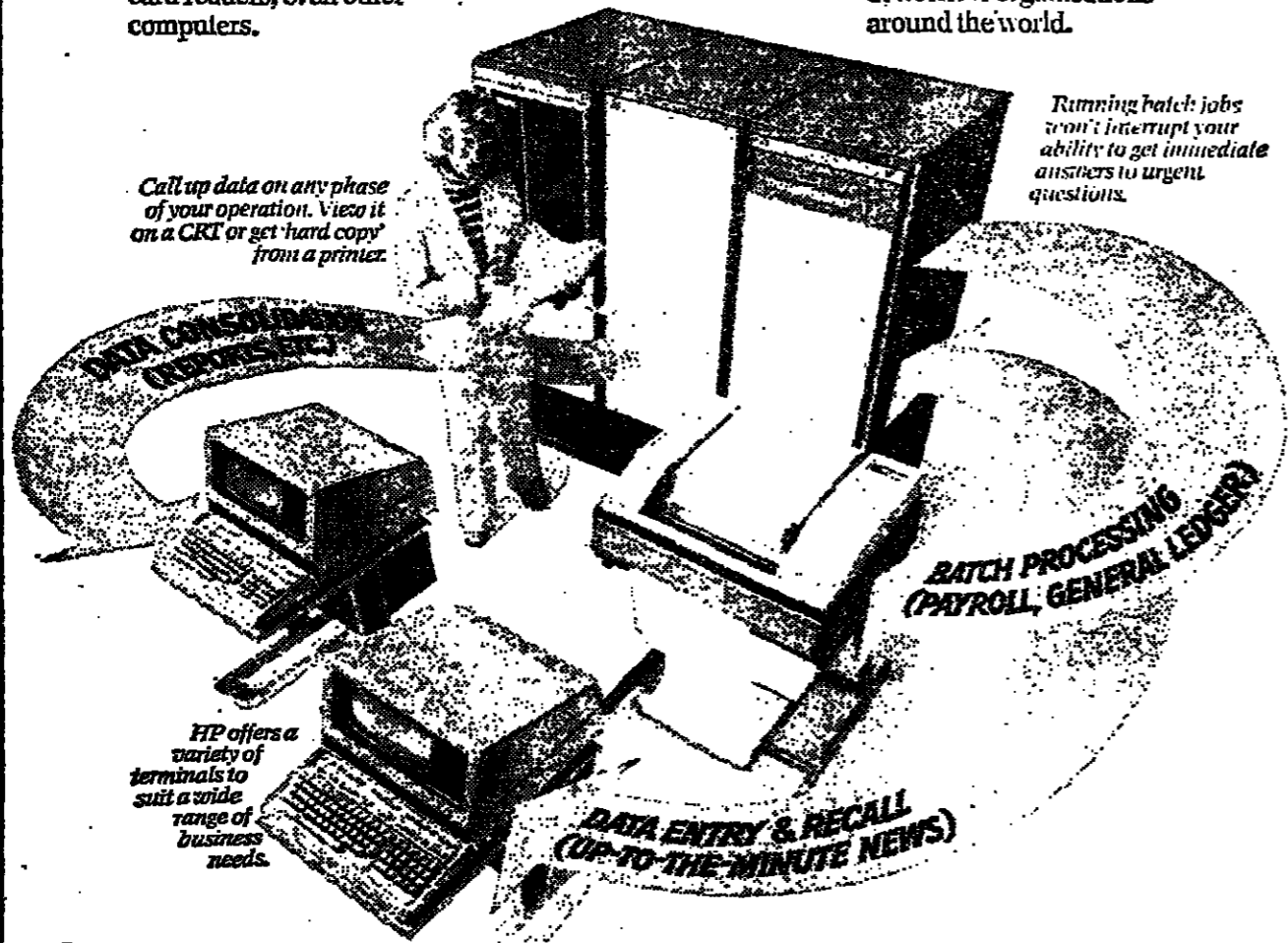
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Thursday May 12 1977

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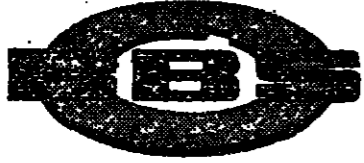
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# Steel Service Centre

Although the steel industry is still waiting for the upturn in world demand, one U.K. steel stockholder, H. E. Samson, has put £1.35m. into a new and computerised plant. ROY HODSON here discusses the significance of this highly automated development.

## Bigger range of product

the founder, principal owner and director of H. E. Samson is one of the few to have persevered. His reward now is one of the best equipped steel service centres in all Europe, strategically sited at Colnbrook, Buckinghamshire, a mile or so to the west of London Airport.

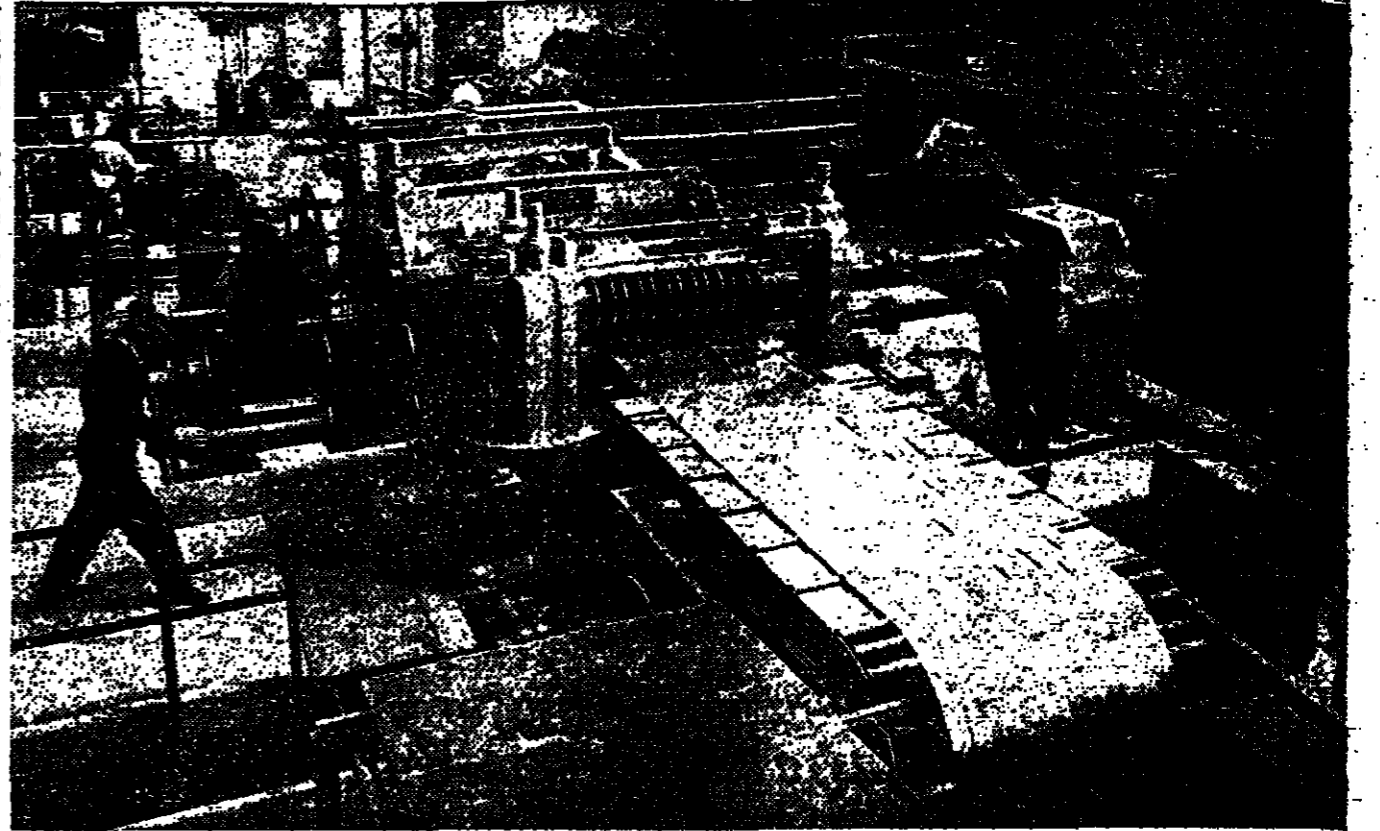
The district has become the centre of steel distribution activity for the South-East of England, with Samsons, Lye Spencer, GKN, and a number of other companies in stockholding all operating modern plants and competing fiercely for the business of South-East and South-Midlands car and vehicle makers, general engineers and fabricators.

Samson was one of the first companies to recognise the convenience of the area as a fast-growing steel service centre. Since the company moved to its present site in 1962 there has not been a time when it did not have an expansion programme in hand.

The new £1.35m. investment is, however, the biggest single step ever taken by the company. It will enable Samson to handle steel plate up to 10mm thick and thus give the company a commercial versatility across the range of flat steel products.

The new factory is called Number Six works and consists of a single £550,000 building fronted by offices. Inside, apart from the storage bays for steel coil from the mills, there is stockholders. Heinz Samson, £700,000 of new steel-processing

A STEEL SERVICE centre is a plant equipped with a variety of capital equipment for doing work upon steel to reduce it from the bulk production of the steel mills to the shapes, sizes and packages required by individual customers. The steel service centre concept was invented in the U.S. and has been developed there to a high degree of sophistication. It has become an essential bridge to link high volume production steelworks with customers across a continent. Britain and Europe have not so far gone for steel service centres with anything like the same degree of enthusiasm as in North America. Some companies have even given up trying to keep the expression in general usage, calling themselves instead well-equipped stockholders. Heinz Samson, £700,000 of new steel-processing



The double-head slitter on the heavy duty slitting line at the new Samson works which permits, among other things, rapid changes in production programmes

equipment. The building has a 40,000 square foot covered area and is equipped with four 20-tonne cranes which can move steel anywhere under the roof.

About 5350,000 has been invested in a fast slitting line built to the company's specifications and as it comes into production it is offering more versatility in its range of work than any previous machine of its type.

The main job of the slitter is to process coils of steel from British Steel or imports from foreign steelmakers by cutting down lengths to widths required by customers. It has a double cutting device so that while a coil is being slit the second unit can be set up to process another customer's order. Samson hopes to save machine time and handling time as a result.

### Favour

As well as handling thicker steel than has been possible before the machine is designed to deal with the big sheet steel coils of up to 20-tonnes which steelmakers now favour.

Samson wanted fast throughput from the new plant to get a return on the investment by volume production. The slitter was designed with speed in mind to play its part in a 400-tonne to 500-tonne daily throughput from the new works even though the steel market is currently depressed and the plant is being run on single shift. Throughput could be virtually doubled by putting on another shift.

To get fast throughput from the second half of the new works when steel plate is cut to length the company decided to back another technical innovation. Conventionally, plate in the heavier sizes with thicknesses up to 10mm, which the new plant is intended to handle, has been cut to length by a stop-and-start system. As the steel is uncoiled it is measured to length. Then the line is stopped and the plate is sheared off.

For the new plant a computerised flying shear has been developed which will cut to length plate as 25-tonne coils of steel are fed through continuously. The machine will produce twice as rapidly as will conventional shearing lines and with greater accuracy and flatness. Samson claims that customers have already begun to appreciate the product.

The flying shear, which is driven hydraulically, actually moves along the line with the moving strip of uncoiling steel. The computer records the speed of the steel, about 30 metres a minute. Then the flying shear is automatically accelerated until it is keeping pace with the moving steel. It "hunts" for a fraction of a second to adjust itself and then cuts the steel. The shears return back to a starting point and begin to move forward again under computer control for the next cut.

This continuous process can be run by only two operators and the length of plates being cut from the coil can be altered rapidly by dialling information into the computer. Every part of the new plant

is designed to operate with the minimum of labour. After the plates are sheared, they are deposited them without any surface scraping which could cause defects. The weight of the biggest plate that can be handled on the line is about 1.4 tonnes.

With so many technical specialties the Samson Number Six plant represents the outcome of several years' joint planning between the company and machinery makers. The company specified what it wanted to achieve in the handling of heavy coil and cutting into plate. The final plant design has emerged as a tailor-made system for the company. As such it has already interested other companies backing the steel service centre approach to steel stockholding.

Maintenance of high capital value steel processing equipment can be a problem for a stockholding company which would prefer to have its investment in steel rather than in

reworked to be good by standards of the industry. Customers are increasingly turning to stockholders for smaller orders and the plant is geared for that. Samson is investing heavily in a trend among using companies to cut their own stocks and be increasingly upon an stockholder to be able to take them regularly and quickly.

The trend away from he steel stocks at works has, quickened by the recent 1 ments in steel prices. What works managers could for years comfort themselves the thought that their stocks on hand were proving in value the current recession has caused many prices to fall. That could be a blessing in disguise for the stockholders in the long run. It persuades steel users to more heavily upon professional stockholders for their needs.

### Capacity

With its new works the Samson group has increased the total steel storage capacity of its six works in Colnbrook and its warehouses in Sheffield. Leads to more than 40,000 tonnes. At Colnbrook a total staff of 118 handles a steel throughput of some 100,000 tonnes of steel a year. The staff would prefer to have its investment in steel rather than in tonnes a year per head. It needs.

## How to clear that expansion bottleneck, without upsetting your finance director



A successful and expanding company often reaches a stage when, for want of finance, it is restrained by an expansion bottleneck. Sometimes you just know you could be bigger and better if only you could clear that bottleneck. You cannot go on passing up major opportunities for growth forever, so something has to change.

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# STEEL SERVICE CENTRE II

## Marketing strategy

THE POINT of view of steel stockholding is the most interesting feature of the Samson company's latest investment and the accompanying commercial arrangements to handle the company's new output is the company's pattern of steel service centres. Samson always handled considerable import business in order to build up a reputation for reliability of supplies. He also bought from mills that he was best known in the business. But he acknowledges that a fundamental change is taking place: production and quality within the U.K. is improving tremendously and it is to the domestic producers that we shall now turn increasingly for our future supplies.

Two developments will affect steel stockholding: increasing as the market moves out of recession and returns to normal. First the stockholders are expected to do much more business than hitherto with small customers who will not wish to tie up capital in excessive steel stocks. Secondly, the full-blooded campaign being waged by British Steel to recapture the share of the home market it lost to competition during several difficult years will mean that much more home-produced steel will be passing through stockholders' plants.

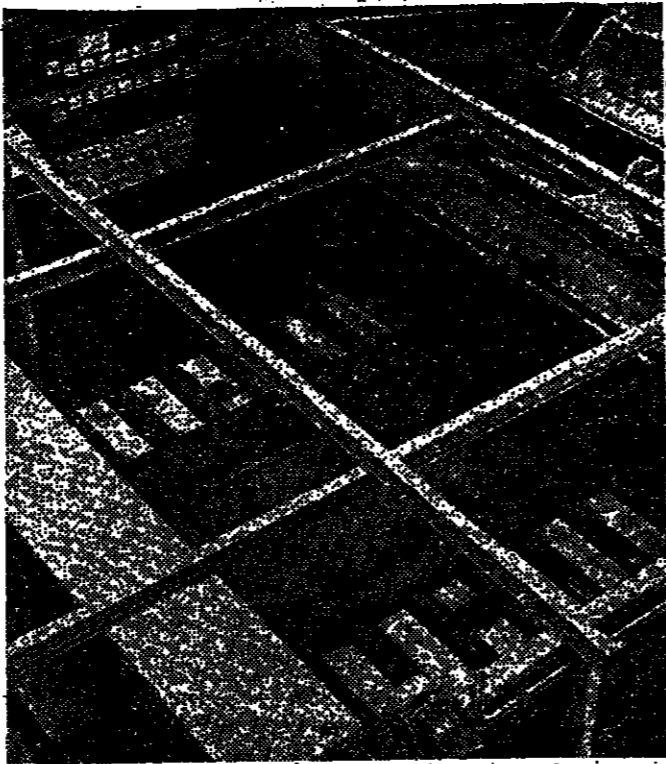
### Pattern

John Samson explained the market strategy behind his company's new investment. We reasoned that when the upturn did eventually come, steel service centres would be hired with an entirely new set of circumstances. Small orders would be much more the pattern of business because the high cost of possession of steel coupled with the current uncertainty in business meant that our customers would only be placing their raw material requirements against orders received. More new uses and users would begin to appear, bringing fresh requirements, and we had to be ready to meet them.

That view of the market will be shared by many other leading stockholders. The trend is clear. The big companies will not be able to retain their

expected to play a considerable part in BSC's drive to substitute home steel for imports. The new steelmaking plants being put in by British Steel represent the key factor. Panteg and Shepote, Sheffield in Scotland new steelmaking at Ravenscraig is putting the whole Scottish division on to a more rational production footing which will be backed by the new terminal at Hunterston. In a year to some 230,000 tonnes are terminal at Hunterston. The North East British Steel's At present BSC has special iron for steelmaking, is being relieved by the new 10,000 tonnes a day blast furnace to be operating by next year. The Shotton strip mill is to be kept running for several years to come so that its production can be an insurance against steel shortages.

The most ambitious project of all is in South Wales where expansion of production of flat rolled steel at Port Talbot. The investment will help British Steel raise tinplate output to cater for a booming market. It will also enable the stockholders and their customers and direct steel purchasers such as the car companies to rely with more confidence on Port Talbot as a prime source of sheet steel. Stainless steel is another area



The computerised flying shear on the cut-to-length line at Colnbrook

of the market where the stockholders have a vital role to play as British Steel goes all out for new business in the home market. The new plants at Panteg and Shepote, Sheffield in Scotland new steelmaking at Ravenscraig is putting the whole Scottish division on to a more rational production footing which will be backed by the new terminal at Hunterston. In a year to some 230,000 tonnes are terminal at Hunterston. The North East British Steel's At present BSC has special iron for steelmaking, is being relieved by the new 10,000 tonnes a day blast furnace to be operating by next year. The Shotton strip mill is to be kept running for several years to come so that its production can be an insurance against steel shortages.

### Plants

The new aggression being shown by BSC coupled with the sizeable investment now existing in British stockholding rolled steel at Port Talbot. That should eventually raise the investment will help British Steel raise tinplate output to cater for a booming market. It will also enable the stockholders and their customers and direct steel purchasers such as the car companies to rely with more confidence on Port Talbot as a prime source of sheet steel. Stainless steel is another area

## A history of growth

SAMSON and his family owned a group of companies which will show a turnover of some £25m. This began a steel exporting business which it has kept up ever since. Today it exports directly some 10 per cent of turnover.

The business grew out of Kentish Town and went to Southall for a short time, building up to a £1m. a year turnover before Heinz Samson found his present site at Colnbrook.

Different Stockholding in the early days of the company was on a different level from today's operations of buying bulk steel and doing a considerable amount of work upon it for customers. In the early 1960s Samson was trading mainly in standard sized steel sheets for the automotive and domestic appliance industries. The group of 40 stockholders approved by sheetmakers John Summers of Shotton and known in the trade as the Forty Thieves!

But from the time Samson moved onto the Colnbrook site the company policy was firmly aimed at gearing the future of the business towards the

processing of steel bought in complete coils from the mills. It was clear that such a system would at once save steel customers considerable waste because they would be able to buy their sheets to any length needed instead of taking standard sheets from the steel mills. Gradually, between 1965 and 1968, Samson ceased to buy sheets and took only coils as processing machinery was installed at Colnbrook to handle customers' requirements.

Each stage of growth was carried out by erecting a new building. They are known by numbers—1 to 6—and the latest, No. 6 dwarfs all the earlier premises. Samson was not alone in going in for handling coil. The development was also being taken up by other stockholders, so that to-day there are in the region of 100 stockholders in Britain with decolling facilities.

Heinz Samson was keen to develop the service centre idea of stockholding by offering customers more than sheet cut to length and width. He noticed that in areas of steel usage where the customer required steel in exact measurements ready for a jig or a press—such as square blanks—it was necessary to lift steel sheets one at a time on to the cutting table and cut them to size with a guillotine. The manpower component was high, thus raising the total cost of the product.

Any study of automating the process ran up against the need to provide consistent steel blanks at a high speed. Samson did some research with a European machinery maker and produced a developed a fully automated blanking line. It revolutionised the production of steel blanks accurately and the company was able to cut in one day with two operators what it used to turn out in an entire week on a conventional guillotine.

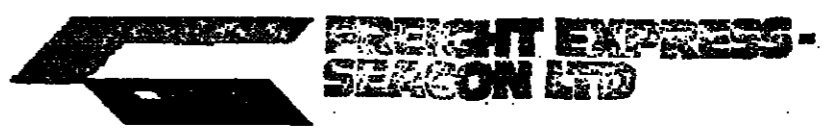
This development, which has since spread throughout steel stockholding wherever companies are prepared to invest in capital equipment, has meant that customers are able to rely upon quick and prompt deliveries of blanks for repetition manufacturing even where large quantities are involved. Samson was so pleased with the automated blanking line that a second was installed with some small improvements and able to cater for the heavy strip

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## STAFF MANAGER



Bank of New South Wales

29 Threadneedle Street London EC2R 8BA

# Director of Finance

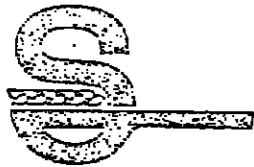
INTERNATIONAL OPERATIONS—LONDON

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CITY MONEY PROKERS have vacancies for various clerical, successful applicants will be alert, motivated and only cases where their telephone in telephone area 33 Telephone Mrs. Stone on 01-779 3727

John 1975

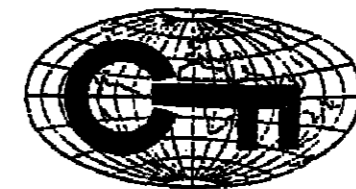
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King Abdulaziz University,  
PO Box 1540, Jeddah,  
SAUDI ARABIA



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**Charles Fulton & Company Limited**

34-40 Ludgate Hill, London EC4M 7JT.  
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The Stock Exchange,  
London EC2P 2JT.

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Our own staff are aware of this advertisement.

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Please write giving full, but concise details of age and career history to:

The Staff Manager,  
Kleinwort Benson Limited,  
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Potential candidates, who are likely to be aged around 40, must be able to demonstrate an ability to negotiate at all levels. Ideally they will have some knowledge of the steel industry, or steel-end products, though proven ability elsewhere will be acceptable.

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## Greater London Council Treasurer

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Commencing salary normally £14,151, rising to a maximum of £15,723 plus £472 London Weighting.

Application forms, returnable by 30 May and full particulars from the Director-General, (DG/GP/SA/74), Room 200, The County Hall, London SE1 7PB. Tel: 01-633 4565 or 7565.

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£6,000-£8,000  
Graduate Chartered Accountants and Commercial Lawyers with 1-2 years' post-qualification experience in the profession are sought by Corporate Finance department of a leading member of the Accounting Houses Committee. Knowledge of at least one European language would be an advantage. Only first-rate applicants with a good examination record will be considered. Please ring 01-839-5125 or write Beresford Associates Ltd., 43, Old Queen Street, London, SW1H 9JA.

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Midland Montagu Leasing Limited, a member of the Midland Bank Group, seeks to appoint additional Leasing Personnel to join its management team in London.

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In the first instance please write, giving details, to:

Mr. A. Ravenscroft, Director,  
Midland Montagu Leasing Limited,  
Citiere House, 55 Basinghall Street,  
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**Midland Montagu  
Leasing Limited**

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Iranian Bank seeks experienced Foreign Exchange Dealer for their London Branch. Salary and fringe benefits negotiable according to age and experience.

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Please write enclosing curriculum vitae to—  
Mr. B. J. Dore,  
Messrs. John Baker Sons & Bell,  
282 Bishopsgate,  
London EC2M 4UJ.

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# The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

## Sad tale of the GNP ratio

Analysis of the trend, says the GNP ratio is complicated by the turbulence of events of the past three years, but if the long-term trend is the same as that of the past few years, the outlook will be gloomy.

The report also casts light on inter-media trends. As would be expected, a ten-year comparison clearly shows that in countries where television is available, it has made big gains in its share of total media expenditure at the expense of the Press. Radio shows a mixed pattern: on average it is down but has made progress in several countries, including the U.K. It has also made good progress in Canada and the U.S.

Country	1970	1975
Australia	1.37	(1.21)
Austria	0.65	0.57
Belgium	0.5	0.41
Canada	1.33	1.25*
Denmark	(0.60)	0.47
France	0.64	0.58*
Italy	0.49	0.37
Netherlands	0.9	0.8
Spain	0.69	0.57
Sweden	(0.45)	0.47
Switzerland	0.2	0.2
U.K.	1.26	1.10*
U.S.	1.32	1.24
W. Germany	0.6	0.5

## IPC knocks TV

Spending almost \$4m. this year on an integrated outdoor ad campaign with special emphasis in London, Birmingham, Manchester and Glasgow. It is the first time that Phillips has spent such a large slice of its advertising budget outdoors.

Concerned by research showing that the average husband spends £3.43 a week on drink and cigarettes and only £1.39 a week on life insurance, Legal and General is putting £200,000 behind a Kirkwood-Company TV commercial that will be screened in 12 ITV regions from May 16 and is expected to reach 24m. viewers.

Lloyd Ellerton, one of the U.K.'s more prominent points of sale design and production companies, has moved into the highly competitive German market (worth an estimated £150m-£200m. annually) with the formation of Lloyd Ellerton Deutschland, based in Frankfurt.

International advertising agency group, has entered the U.K. by acquiring Michael Dungey and Partners, whose clients include Boots, the Tea Council, Unigate and Wilkinson. Last year International, with head offices in Paris and Amsterdam, and its sister agency Publicis Conseil, billed \$246m.

## Cosmetics: Stuart Alexander describes the marketing plan behind Colgate-Palmolive's \$350,000 junket in Como

### Rubinstein does it in style

THIS, IN CASE you did not know it, is Silk Fashion Week, not just in the U.K. but world-wide. And if you are wondering who came up with that bright idea, I will keep you in suspense no longer. It is a little company called Helena Rubinstein which has launched, in a rainbow of razzamatazz, a range of make-up bearing that name. As parties go it was a \$350,000 spectacular, but when you are dealing in glamour you have to show, occasionally, that you can make dreams come true and, compared with a promotional budget of over \$3m. worldwide, plus joint promotions with the stores, 10 per cent for original publicity does not sound bad.

The launch took place at the luxurious Villa d'Este on Lake Como and was accompanied by a fully choreographed and orchestrated fashion-show, one of the highlights of which was the German model Veruschka being led round the spotlighted grounds on a white horse.

If the surrealism is by this time beginning to grate it should be pointed out that the principal commodity an up-market cosmetic house is offering its customers is style. With every expensive pot of its elaborately packaged product goes a little bit of that style.

Although the market for fragrances has been growing worldwide, partly due to the influence of after-shave and cologne for men, making-up the skin care have been having a

harder time. In the U.S. and Europe as a whole, the growth predicted for this year is only one per cent and the U.K. market has been declining ever since the wage freeze was introduced in 1975.

The cosmetics market, although in truth thousands of years old, really developed out of America between the wars and is still largely American-dominated. Apart from Avon, which is the biggest but does not sell retail, Revlon holds the world number one position with Japan's Saseido second and Max Factor third. Rubinstein claims it is fourth with Lauder fifth, but admits that in many countries it has a ding-dong battle with Lauder. Last year it is thought that Lauder outsold Rubinstein in the U.K.

The middle and upper price sectors have been holding up rather better than the lower end of the market, and this is where the new Rubinstein product will be operating. Except that it is not new. The embarrassing thing about all the shouting in Como was that Rubinstein has discovered what it hopes will be a winner quietly working away in its own back yard. Make-up using silk has been on the British market for many years, though we are assured that Silk Fashion has now been completely reformulated as well as repackaged.

The important thing about its relaunch now is that it marks a comeback by a company that, following the death of its founder and driving force, Helena Rubinstein, had lost its way: both in marketing and profit terms.

Four years ago it was bought by the Colgate-Palmolive conglomerate in a paper deal of \$135m. It put in its own man, Peter Engel, as president of the international corporation and he has brought three main essentials to what was a rather loosely-run organisation. The first is systems and controls; the second is product and manufacturing rationalisation; the third the Colgate hunger for diversification.

What Colgate is doing is stating publicly that from now on the full weight of its financial muscle is going to be behind developing Rubinstein as its beauty and fashion division. The company already owns a sweeter company in the U.S. and is putting the house name on a variety of products sold through its Paris boutique, the emphasis of course being on silk and on being very expensive.

Today C.P. is due to announce that it has bought a company that specialises in the collection, cutting and setting of coral jewellery. And it is expected that other purchases, particularly in the accessories field where the company can use its existing marketing know-how, will follow.

At the same time it is trying to cut down the number of product lines it is carrying and to specialise, where possible, with factories doing only one kind of job in countries where there are trade barriers of one



Among the celebrities launching Silk Fashion was model Alexandra Bastedo

heavily on the skin-care products where it has a reputation for top label goods. The growing trend which product lines have of world control from New York is also likely to continue, more profitable, and are truly international.

This autumn, significantly, the company plans to introduce a range of skin-care products specifically for the elderly, explaining, to stay on the crest of succeeding fashion waves without resorting to the industry's traditional "me-too" syndrome. That will be a hard promise to keep, especially at a time when the hard promotion of beauty counsellors, and has no their new fragrance, Blazer, intention of looking to super-look-upon-previous like a beautiful challenge to Revlon's Charis.

## £146m. worth of complaints

IN A lucidly niggling speech to the IPA Society this week, Gordon Borrie, director general of the Office of Fair Trading, made it abundantly clear that there is a need to pass new consumer protection legislation.

It is all this apparently praiseworthy activity necessary? More importantly, is it as positively in the interests of consumers as it appears to be? On both counts the answer may well be No.

It might have been hoped that Gordon Borrie, faced with an intelligent and concerned audience, would have addressed himself to the three main underlying and difficult problems involved in consumer protection.

First, is the massive spend on Governmental activity justifiable and cost-effective? Second, to what extent do consumers (or as they used to be called, people) require protection? Third, and most important of all, what are the costs involved in interlocking the industry of dealing with complaints—assuming that all companies are as efficient in this respect as M & S, which must be doubtful—is £100m., a total governmental and industrial cost of £146m. plus, well over £11 per complaint.

Second, to what extent do consumers require protection? 12m. consumer complaints a year

sounds a gargantuan number. It actually means that on average each of us makes one complaint every four years, and on average we complain to the OFT once in every 89 years!

Now nobody, not even Mr. Borrie, suggests that all these complaints are justified. The customer may always be right, but he is frequently wrong. If one half of the complaints are unreasonable, then on average each of us will make one unjustified complaint every eight years — to the OFT, once every 178 years! All of which strongly confirms the most obvious conclusion that there is little evidence of widespread consumer dissatisfaction with the goods and services available.

Third, how great are the indirect costs which result from interference with the selling/marketing process? And who pays? This cost, almost certainly the most expensive element in consumer protection, is probably unquantifiable. And being unquantifiable, it has been ignored. However, if you accept the comparatively uncontentious proposition that traders usually know better than government and consumerists how to sell their products efficiently, then any activity which makes the selling less efficient will inevitably increase costs and lead to higher prices. And the unfortunate consumer will have to pay.

To put it another way, if Gordon Borrie succeeds in forcing retailers to desist from using proven successful selling formulae, then retailers' stock-turns will slow down and prices will rise. Mr. Borrie may believe that retailers using promotions which can mislead must be stopped, no matter what the cost. It is an arguable intellectual case, though it is doubtful whether many of today's hard-pressed cost-conscious shoppers would agree with him.

At the very least, it would have been reassuring if his speech had shown even the merest hint of understanding of the first law of consumerist economics: a little meddling is a costly thing.

Winston Fletcher is managing director of Fletcher Shelton.

## A re-think on cage pallets

IN THE CONTINUING debate between grocery manufacturers and retailers as to how much the manufacturer should do to get his products on to the shopfloor, the question of cage pallets has figured prominently over the last few years. The retailers, led by Asda and Tesco, have seen these already price-marked can goods transferred direct from the depot to the shopfloor where the cages are fitted as opposed to conventional pallets. The reports say considerable savings for the manufacturer, on the one hand, have tended to see the system as offering few advantages and have generally only agreed to start using it because they have felt that if they refused they might lose business from some of their largest customers.

The development has been surrounded by considerable fuss and facts have been hard to come by. But now the Institute of Grocery Distribution has published a survey, carried out by the Cranfield School of Management, which should give manufacturers a bit more ammunition when trying to resist cages. More importantly, it may make some retailers think again about the desirability of the system.

The report, which comes at a time when some retailers are likely that any significant net savings will be made until three years after the initial investment in cages has been made.

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### SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing & Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

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THURSDAY, MAY 12, 1977

Bribes are no way out

THE MUCH TRUMPETED negotiations for a third round of wage restraint are now in suspension, and can only be resumed with any kind of meaning if and when the Transport and General Workers' Union decides at its conference in July to support a further effort.

Delusive path Above all, though, it will provide time for further reflection about the appropriate shape for any agreement which it may be possible to negotiate.

Odds against the Owen initiative

THERE ARE many powerful reasons for supposing that, sooner or later, the white Rhodesians will have to submit to the demand for black majority rule.

Isolation The odds are too heavily stacked against the white Rhodesians, in terms of the balance of population between black and white inside Rhodesia, and in terms of the country's geographical isolation, for them to have any hope of defeating the guerrilla campaign which is being waged against them.

There have been some reports from Rhodesia which suggest that a growing number of white Rhodesians are already resigned to the idea that they have no alternative but to settle with the black nationalists on the best terms that may be available.

American unions are finding President Carter and Congress less malleable. Stewart Fleming reports

U.S. big labour hits some political snags

IN THE past few weeks trade union leaders in the U.S. have been stunned by a series of political setbacks which are forcing "big labour"—the counterpart for Americans to "big business"—to reassess its political strategy and many of its long-term objectives.

With the election of Democrat Jimmy Carter to the Presidency, labour leaders scented a revival of their political influence after eight years of Republican rule.

Instead, like other interest groups, they have discovered that the President in support of whose election labour spent some \$10m. is as conservative on many financial issues as any Republican might be.

The brink of surrender

Last winter, plagued with illness, Mr. Meany, it seemed, was on the brink of surrendering his presidency before his term expires at the end of this year.

There has never been any love lost between the Auto Workers and Mr. Meany. In 1968 Mr. Walter Reuther, the revered leader and architect of the UAW, took the union out of the AFL-CIO because of fundamental differences of policy.



A cartoon by Charles Brooks published in the Birmingham News (Alabama) during the dental election campaign citing the influence it was widely believed that organised labour's George Meany would have on President Carter.

Perhaps most significantly, there is almost certainly a much wider measure of support for the view that organised labour needs to expand its membership if it is to revive its flagging fortunes.

Partly, this is simply a question of numbers. The U.S. labour force rose from 77m. in 1965 to almost 97m. last year.

There are a number of explanations for this relative decline, all of which eventually lead to a weaker political (and financial) base for labour.

Some of them undoubtedly feel that labour needs to lift its horizons and see the pursuit of wider social objectives, such as bringing pressure to bear for health and welfare reform or developing policies to contribute to the debate about decaying cities, as a way in which organised labour can broaden its appeal.

MEN AND MATTERS

Teddy Smith steps down

Sir James Goldsmith is not the only financier who has felt hounded in recent times. Teddy Smith has had considerable criticism heaped on him and a Department of Trade inquiry into his non-private interests has still to be published.

Smith is retiring, though his closest associates are not sure of the exact age of this colourful and controversial Polish-born businessman who started out in the somewhat exotic reaches of the rag trade.

Smith's main career began with the founding of Brynston Finance, whose interests included the East End-based National Union Bank, property dealing, and Amalgamated Industrials. There were dust-ups with various groups of shareholders from 1973 onwards, the year a High Court judge declared that Smith had been charging interest of over 100 per cent on a loan to finance a film.

Europary

The European Parliament may soon have a home in Brussels, at the former headquarters building of the Banque de Bruxelles before its merger with Banque Lambert.

Four other sites have been examined, among them the large Manhattan. Carter properly complex in Brussels — which presumably would be good news for the British MEPC property group, which with Rothschild Investment Trust became involved in the Center only to find it a disastrous investment—but the Banque de Bruxelles building is considered the front runner.

At present the Parliament is something of a travelling circus. Its secretariat is based in Luxembourg; the debating sessions are held one week every month in either Luxembourg or in Strasbourg; and meetings of the Parliament's specialist committees of MPs generally take place in between times in Brussels.

Advertisement for 'The Famous Grouse' Scotch Whisky. The text reads: 'The exception that could prove to be your rule. Quality in an age of change.' It features an image of a bottle of whisky and a glass. The logo 'The Famous Grouse' is prominent.

Handwritten text at the bottom of the page: 'سكوتلندا 100%'



ECONOMIC NOTEBOOK

BY SAMUEL BRITAN

High level fallacies at the summit

"WE USED to think that you could just spend your way out of a recession..."

attempts to achieve target growth of employment rates by boosting domestic spending...

In financial policy this has led to Governments wanting — for the time being — to be virtuous



No. 10 Downing Street: misleading talk at the summit.

The above quotation looks like a tactless intervention by Herr Helmut Schmidt at the Summit Conference...

But appearances are deceptive. The words were not spoken by a German...

themselves, while urging other Governments to indulge in vice. But in trade the result has not been quite so funny...

Nevertheless the talks with IMF officials in London later this month are expected to be low-key...

It is difficult to make much sense of this. Either a rise in demand will touch off further inflation or it will not...

Nothing could be more misleading than the summit talk of 15m. unemployed among member countries...

The IMF and Phase Three

THE TALK in British political circles is not whether to "reflate" but when and how. Reflation, of course, means increasing spending without raising taxes...

How then can the Chancellor "reflate" without breaking the IMF limit of £8.5bn. on the PSBR?

It is in any case difficult to have an intellectually frank discussion, as there is some unpublicised sympathy in Whitehall for the Fund's position.

Domestically, we are already nearing the stage where the main budgetary cost of "reflation" will be felt in the fiscal year 1978-79...

stagnation or even decline. It looks as if the money supply is starting to rise again...

The real arguments with the Fund will be over 1978-79 at meetings due in London next November...

It may be objected that "reflation" does little harm — or good — if it is financed from long-term borrowing without an increase in the money supply...

My first contacts with "Harry," as he was universally known, were as an undergraduate student at Cambridge in the 1950s...

After several months of full-time work, he was a cosmopolitan by temperament. Professor Johnson had strong feelings, freely expressed, on what he regarded as the parochialism and political servility of too many leading British economists...



Prof. Harry Johnson

Prof. Johnson was freer than any other top level economist I have known of the tendency to carry favour with the powerful...

His intellectual and physical stamina were scarcely credible. He would write more before breakfast in a week than many people in several years...

remarkable thing is that these hundreds of articles never pursued trivial points. Nearly everything Harry Johnson wrote — from the purest theory to his personal reflections on Cambridge culture — contained a fresh insight not obtainable elsewhere.

Technically, Professor Johnson was best known for his work on trade and monetary theory. It was characteristic that, although one of the world's greatest authorities on "optimum tariffs," he became a forthright free trader.

A Canadian by birth and a cosmopolitan by temperament, Professor Johnson had strong feelings, freely expressed, on what he regarded as the parochialism and political servility of too many leading British economists...

Letters to the Editor

Shortage of skill

From Mr. C. Thomas Sir—Your leader "Steady Nerves in Industry" (May 4) takes a small reference to shortage of skilled labour...

should be, corresponding to an interest rate above that advertised. The extreme would be the final year of a mortgage...

Forecasting sterling From Mr. M. Barnato. Sir—Mr. Mizrahi (April 29) cogently restates his view that end-1949 is a realistic base rate from which the impact of relative inflation rates upon exchange rates can be calculated...

NEDO paper by David Stour on this subject. The practical use of forecasting exercises of this type is in providing a guide to the evolution of medium- and long-term exchange rates...

Anti-boycott action From The Chairman, Anglo-Israel Chamber of Commerce. Sir—There was an important omission in Richard Johns' account of the U.S. Senate's anti-Arab Boycott Bill...

more energy will be wasted by individuals who will have to travel further afield in the search for them. How much energy will I save when I have to travel 10 miles to the nearest town to do my shopping each week...

Transport in rural areas From Mrs. A. Wainman. Sir—Your editorial on petrol tax (May 9) fails to convince that an increase in duty is the way to conserve energy...

Turn-outs at elections From Dr. W. Grant. Sir—As your editorial of May 5 suggests, local elections in which a small proportion of the electorate turn out to pass judgment on the policies of the national government do little to promote a responsible and responsive local democracy...

Table with columns: GENERAL, To-day's Events, COMPANY MEETINGS, PARLIAMENTARY BUSINESS. Lists various meetings and events.

Smokescreen of percentages

From Mr. G. Williams. Sir—Once again a building societies spokesman, writing (May 5) from the lush pastures of Mayfair, has put up a smoke screen of percentage figures...

Pay in advance if possible

From Mr. M. Heydemann. Sir—Your correspondence on building society interest rates criticising the societies for their lack of flexibility, seems tacitly to assume that the interest rate charged to borrowers is what the societies say it is...

A positive incentive to fight inflation

From Mr. L. Robinson. Sir—It would seem that the principal factors which need to be recognised in any new pay policy are a basic minimum increase, some re-establishment of differentials and a reasonable safeguard against inflation...

WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?

Advertisement for Standard Chartered Bank Limited, featuring a globe and text about international services.

ABU DHABI CORNISH

Advertisement for Abu Dhabi Cornish, featuring a sign with Arabic text and English translation.

Large advertisement for Standard Chartered Bank Limited, including a globe and detailed text about global banking services.







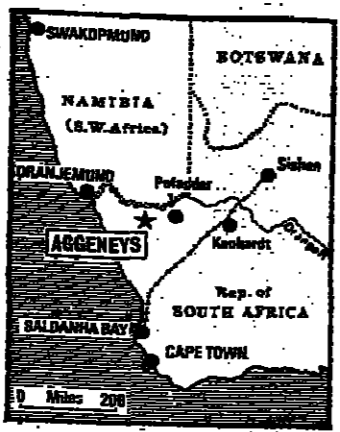
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MINING NEWS

GFSa joins Phelps in £100m. Cape find

By Kenneth Marston, Mining Editor

AS Phelps Dodge is to be joined by Gold Fields of Africa in the development of a £100m. copper-lead-zinc mine in the Orange River valley of South Africa...



The next wave of resource development will arrive at twice the speed of the last one, involving as much as half a billion dollars a year in special development funds...

New S.W. African uranium mine

THE SOUTH African mining output increased by 26 per cent, and attempts are being made to maximise returns by the re-negotiation of long-term contracts...

Mr. de Villiers states, "various aspects of further expansion of the group's uranium production facilities are being actively investigated..."

Benguet Consolidated, to boost its 1977 first quarter net profits to \$2.1m. (£1.2m.) from \$1.24m. in the same period last year...

Although gold production operations actually showed a deficit of \$11,000 in the first quarter, there was a net profit of \$37,000 on the sale of 94,515 ounces of refined gold...

MINING BRIEFS

Table with columns: Country, Apr. 1977, Mar. 1977, Feb. 1977. Rows include Angola, Botswana, Canada, etc.

BENGUET BOOSTS EARNINGS

Sales of stockpiled gold have helped the Philippines producer.

At some 50m. tonnes grading 0.8 per cent copper, 2.3 per cent lead and 0.8 ounces of silver per tonne...

W.A. SEES WAVE OF INVESTMENT

With characteristic optimism about the development of Western Australia, the State's Premier, Sir Charles Court, has predicted that...

Anglo: the way ahead

Mr. Harry Oppenheimer's statement to shareholders of Anglo American Corporation is concerned with the political and economic problems of South Africa...

Coal also figures largely in the group's future. Mr. Oppenheimer points out that the Anglo American group has a £240m. (£100m.) capital programme in hand...

MINING BRIEFS

Table with columns: Country, Apr. 1977, Mar. 1977, Feb. 1977. Rows include Botswana, Canada, etc.

Unilever and European Integration

Extracts from the speech by Mr. David Orr, Chairman of Unilever Limited, at the Annual General Meeting on Wednesday, 11th May, 1977.

Twenty years ago, the Treaty of Rome inaugurated the European Economic Community.

Naturally, my predecessors were from the beginning supporters of the idea of a Western Europe restored through unity to vigour, prosperity and influence.

This twentieth anniversary is a good time to look back at what has been achieved, to consider the problems facing us today, to look forward at what still has to be done.

Unilever in Europe

What happens in the Community is of great importance to us in Unilever. Sixty per cent of our business is still in the Community, our turnover in 1976 was £5 1/2 billion, and our total investment is £2 billion.

We employ nearly 177,000 people in over 200 factories and offices. This makes us one of the Community's biggest employers. We spend over £500 million a year buying from the Community's farmers and as much again buying from its other industries.

We are important within the Community in detergents, toilet soap, margarine, oilseed extraction, ice cream and frozen food.

We also do most of our research in the Community, with three laboratories in the United Kingdom, two in the Netherlands, one in Germany and one in France.

Common Agricultural Policy

The divergence between economies also threatens the Community's Common Agricultural Policy, under attack especially because of the large surpluses it creates.

In theory, in common units of account, the prices are the same. In practice, in the marks and guilders and pounds the farmer gets and the housewife pays, they are not.

I recognise that it is a great deal easier to criticise than to think of an answer. The Common Agricultural Policy is at the heart of the Community. In the long run, the objective should be an agriculture which can adapt to consumer demand, and provide a living for farmers at prices more in line with those in the world outside.

Employee participation

Unilever is committed to participation, but recognises that it can take many forms. Trade union structures, worker attitudes, the operation in practice of Boards, all vary from country to country.

We believe that participation can only work if it develops organically, out of the culture, traditions, practices, and ways of thought of each society.

The Annual General Meeting

The Report and Accounts for 1976 were adopted. A final dividend for the year ended 31st December, 1976 of 11.78 pence per 25p ordinary share of Unilever Limited was declared...

The existing Directors were re-elected with the exception of Dr. J. G. Collingwood whose retirement had already been announced and who did not offer himself for re-election.

After the dividend resolution was passed, the Chairman said: Shareholders may well feel aggrieved that after a year of outstanding profit growth the Company is not permitted to propose a dividend payment of more than 10 per cent above last year's.

Some relaxation of dividend control has been permitted to companies with substantial overseas investment. We have approached the Treasury asking whether Unilever could be allowed similar exemption.

We greatly regret this and I would urge the Government to reconsider the present controls on dividends. They are arbitrary in operation, unfair to shareholders and I believe damaging to the economy.

They are unfair because shareholders have suffered badly compared with the rest of the community. In the three years to 1976 average earnings, in money terms, rose by over 70 per cent while dividend incomes increased by only 12 per cent.

Unilever has a positive attitude to new investment and we will be increasing our capital expenditure in the U.K. substantially in 1977. A CBI survey suggests that much of British industry is also ready to increase investment.

Mr. Colin Black, on behalf of the shareholders, proposed a vote of thanks to Mr. David Orr, Director, Managers and Staff. He replied that he was confident that the speech would be greatly appreciated by all employees and he would ensure that it was passed on.

Aquascutum logo and text: Makers of fine clothing for men and women since 1851. Earnings up 43% at £1,710,074 - the highest ever.

Postlethwaite & Co. Valuation of Property Assets Throughout the U.K. Write or telephone for explanatory leaflet to: JOHN Postlethwaite & Co.

PLAXTONS Luxury Coach Body Builders Interim Statement Unaudited results for the six months to 28th February

Unilever logo and text: A statement on wages and conditions of African workers employed by Unilever companies in South Africa has been published. Copies can be obtained from the address alongside.

Form with fields for Name, Address, and a note: Please send me a copy of the full text of the speech.



Copy 10 1250

BIDS AND DEALS

BTR poised for big U.S. expansion

The industrial holding being taken place which would be headed by Sir David... is poised to make for the company's shares.

BEST & MAY EXPANDS

Best and May has agreed to acquire the capital of Kent Electrical Wholesale...

RIT SELLS BRIDGEWATER HOLDING

British Land has acquired 12.5 per cent of Bridgewater Estates following the sale by Rothschild Investment Trust...

ASSOCIATES DEALS

Rit and Aikens for an associate - Bishopsgate International Unit Trust - have bought 100,000 English and Caledonian investment assets...

Crusader funds top £100m.

Long term funds of Crusader Insurance Company, a member of C.T. Bowring and Co., rose by £2m in 1976 to £105m...

B. & I. Nathan objectives

The main objectives of B. & I. Nathan furniture manufacturers are to improve its overall liquidity and prepare itself for the next stage of expansion...

Harry Vincent

Harry Vincent, manufacturer of Blue Bird confectionery, is proposing to raise £215,000 gross by a one-for-two rights issue...

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 8 1/2 per cent (since April 29, 1977). The Bank of England gave a signal on interest rates...

Table with columns: May 11 1977, Sterling deposits, Interbank, Treasury bills, etc.

Local authorities and space houses when they... Finance House Base Rate published by the Finance House Association...

SHARE STAKES

Samuelson Film Service: The following disposals of shares made between February 17 and April 3, 1977, are announced...

ASSOC. RESTAURANTS

Acceptances of the offer by Associated Restaurants for Silver Grid Caterers have been received in respect of 314,032 shares...

KADUNA SAYS REJECT SELUKWE

The chairman of Kaduna Syndicate has written to shareholders stating that the Board and its advisers Kienwort Benson consider the offer from Selukwe Gold Mining and Finance Company totally unacceptable...

HUNTING GIBSON

The Board of Hunting Gibson is in a state that there have been significant sales affecting any of the company's assets...

O.K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa) Director: S. Cohen, Hon. L.L.D. (Rand) (President), R. J. Goss (Chairman), C. E. Atkinson (Managing Director), A. C. Berks...

Group Earnings and Dividends The unaudited Group earnings for the twelve months ended 31 March 1977 compared with the previous year are as follows:

Table with columns: 1977, 1976, Sales, Operating income before taxation, etc.

highest costs on property in the course of development have been capitalised in the past. It has become necessary to formulate a new policy for O.K. Hypermarkets (Pty) Limited...

Interim report published on 3 November, 1976, it was stated that a modest improvement in earnings for the year was not attainable provided that there was no deterioration in the general economic climate...

- Lower gross margins resulting from changes in the consumer spending pattern... Abnormal increases in shrinkage and pilferage... Higher interest charges partly arising from increased stock levels following the depressed Christmas sales.

Dividend for the year has remained unchanged. The Board anticipates that the present economic recession will deepen during the first half of the current financial year...

For and on behalf of the Board: R. J. Goss (Chairman), C. E. Atkinson (Managing Director)

Dividends: 25c is hereby given that final dividend No. 91, at the rate of 25c per share in respect of the financial year which commenced on 1 April, 1976 has this day been declared payable...

Registered Office: O.K. Building, 11, Eloff Street, Johannesburg, 2001. 1977 May 12, 1977.

Anglo American Corporation of South Africa, Limited

(Incorporated in the Republic of South Africa)



South Africa must prove it has the ability and will to eliminate the grievances and resentments behind black unrest

Mr. Harry Oppenheimer

Points from the statement by the Chairman Mr. H. F. Oppenheimer

Quality of life

There is a vital need for planning, organisation, finance and hard work for the purpose of improving the whole quality of life in the black urban areas.

Urban Foundation

We have accordingly joined with other leading South African businesses in forming an organisation to be known as the Urban Foundation, controlled by a board on which all our racial communities are represented...

Need for political action

Since the basic reasons for the concern felt by foreign investors about South Africa are not financial or economic but political, they can only be removed by action in the political field.

The growth of the economy at a rate sufficient to eliminate unemployment and provide rising standards of living for our rapidly growing population will be difficult or even impossible to achieve unless we can so order our affairs that investors abroad recover confidence in our social and political stability...

External confidence

The disturbances which erupted last June in Soweto and the continuance of social unrest thereafter, have had an effect at least as detrimental to external confidence in our future as the tragedy of Sharpeville 17 years ago...

There has until recently been an inclination to suppose that a rapid implementation of the policy of separate development and the granting of sovereign independence in various tribal areas made it less urgent, perhaps indeed unnecessary, to tackle energetically the problems and grievances of black people in the urban areas.

Consolidated Profit

The Corporation's consolidated profit for 1976 at R86.28 million, 65.3 cents an ordinary share, was 1.8 per cent higher than in 1975.

GOLD AND URANIUM

Working profits of Group mines declined from R593 million to R383 million in 1976, reflecting the fall in the value and volume of gold produced, and higher costs.

DIAMONDS

The world market for rough diamonds firmly continued the recovery that began in 1975, and sales by the Central Selling Organisation set a new record.

COAL

Our principal Group company, Amcoal, materially increased its production to 23.2 million tons and its taxed income to R40.5 million, and announced plans to proceed in two stages with the development of a major new mine, Kleinkopje, at a total cost in 1976 money of R109 million.

INDUSTRY

Industrial interests have continued to make progress, in spite of increasingly difficult trading conditions at home and overseas.

INTERNATIONAL OPERATIONS

The international operations of the Group generally have fared as well as the recession in demand for base metals and, in certain cases, the policies of governments would allow.

For a copy of the Chairman's full statement, please send the coupon to the address below.

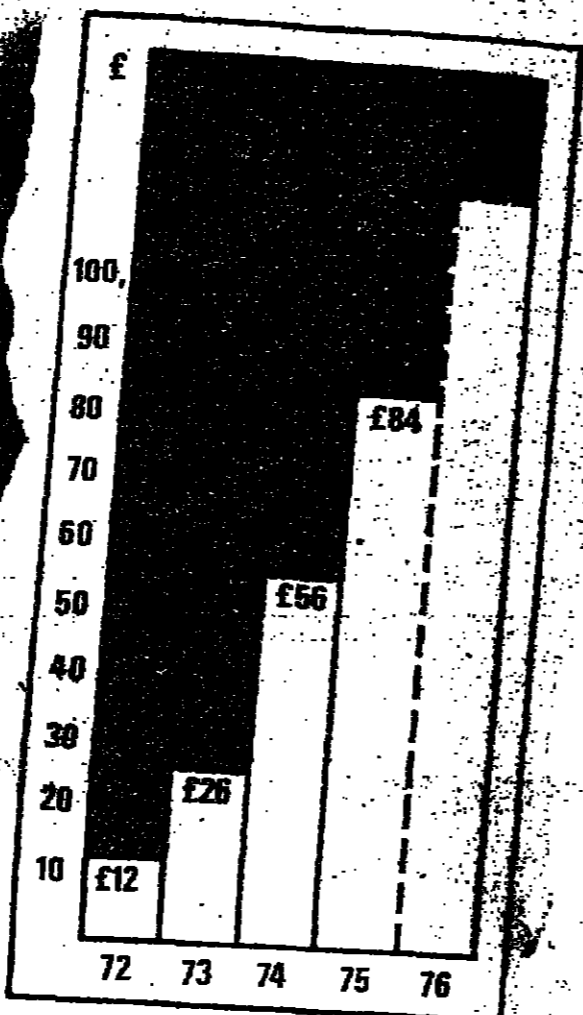
To: Anglo American Corporation of South Africa Limited, Room 40, 40 Harbourn Viaduct, LONDON EC1P 1AJ

# We said we'd do it.

To grow by over a third in one year is quite a target. But we said we'd do it, right here in the FT. And in 1976, Makro Self Service Wholesale Centres produced a turnover of £117m.

That is an increase of 37% on 1975. And when you consider Makro only have 6 Centres, it is quite a record in itself. In fact, last year Makro Centres achieved the highest rate of turnover per square foot of any cash and carry wholesaler in the country. Aro, our own brand, was selling 1½m packs a month on its own.

So what about a prediction for the year to come? We are now starting to build new regional Makro Centres. And having gained 9% of the whole UK market with just six, we don't really want to put limits on what will happen next.



MAKRO AD, FT, APRIL 1976.

## makro

MAKRO EMERSON HOUSE ALBERT STREET ECCLES MANCHESTER

## P & O to concentrate on energy side

THE MAJOR development of the Peninsular and Oriental Steam Navigation Company, in 1977 will again be related to energy, Lord Inchcape, chairman, says in his annual statement.

The divisional activities in North America and in Scotland are progressing well and the group holds a 15 per cent stake in one of the most exciting oil discoveries in the North Sea," he tells shareholders.

For a newcomer to the oil business the risks are high but the directors anticipate that the rewards will be commensurate, he adds.

Together with its partners, led by Mesa Petroleum, of the U.S., as operators for the consortium, P & O is evolving firm plans to develop the field in the Moray Firth and there every indication that this will be brought into production in record time by North Sea standards.

As reported on May 3, group pre-tax profits rose from £27.7m for the previous 15 months to £31.12m, for the year 1976. The net dividend total is 2.65742p per £1 share, the maximum permitted.

With pre-tax profits close to £44m, before provisions of £12.8m, the year was one of solid achievement in most operations at a time of dull or difficult trading conditions throughout the world, Lord Inchcape says.

Over recent years much effort has been put into new projects to broaden the base of activities and though it requires time to effect major changes in a business as large as P & O the chairman feels that substantial progress is being made. The group has invested heavily in the equipment necessary to secure its future, he adds.

The passenger division achieved a turnaround from a loss of £6.8m to a profit of £4.1m, while the European and air transport division went from a £3.2m loss to a £5.6m profit. Both these activities are well set to continue profitable operations throughout 1977, members are told.

Bovis Development Property started 1976 well but during the second half the Government's economic policy began to bite and it was against the fall in property values that the provisions of £12.8m—of which £4.7m was within Twentieth Century Bank—had to be absorbed.

The decline in sterling also accounted for an increase of £14m in borrowings on property despite the sale during the period of developments valued at £28.6m.

However, despite the difficulties of the property development market the mainstream business of Bovis—Bovis Homes—completed and sold 2,000 houses in the U.K. and Bovis Construction while maintaining a high level of profit in 1976 has secured a full order book for 1977. Bovis Civil Engineering is in the same satisfactory position.

Though the impact of the depressed property market has absorbed in the shape of provisions the greater part of the original price of the Bovis acquisition the property business will be worked through and will increasingly complement the

company's other profit-earning divisions, Lord Inchcape says.

General cargo operations, particularly those to the Middle East, continue strong and profitable. The company is involved in all the technological advances of the container trade, particularly roll on-roll off tonnage, combination ships and specialised cellular container ships, and is thus able to maintain and expand its long-standing general cargo interests.

In the bulk shipping division P & O has successfully moved away from a heavy investment in crude oil carriers, both in P & O terms and in the associate company Anglo Nordic, so it has avoided being dragged down by the sector's over-capacity.

With more than 50m tons of tanker tonnage and under-utilised in the world and with available shipbuilding capacity it will be into the 1980's before the tanker market can reach the acceptable level of profitability.

Nevertheless Lord Inchcape foresees "bursts of activity during these lean years" when P & O and Anglo Nordic with their extensive fleet of combination carriers will be able to adjust the operating pattern to benefit from temporary upswings.

The four 54,000 cubic metres liquefied petroleum gas carriers on order—the first was due for delivery to the charterers in March, 1977—are ideally suited for the U.S. market, Lord Inchcape adds.

It will take time for the U.S. to change its pattern of energy consumption during this period there will almost certainly be an increasing requirement for LPG including substantial imports.

For the major associate Overseas Containers, 1976 was a highly successful year both in terms of utilisation with a record number of containers being carried in its main trades and in handling increased traffic in the Pacific trades.

While the OCL profits are satisfactory it is a highly capital-intensive business with a modern container ship costing some £44m. Substantially larger profits will be required to generate sufficient strength in the operation to meet future needs. This system, however, is well proven and competent.

With the U.K. struggling in so many directions to strike the right economic balance it is one of the P & O group's strengths that it is very much an international operator, says the chairman. And it is to the strength of the economies of its major trading partners that it must look to judge its trading prospects over 1977.

"Overall these are rather more encouraging than they were at this time last year," Lord Inchcape states. "But it is to the U.K. economy that we must look when we come to judge our profits as a repetition of the serious inflationary pressures of the past two years could erode the benefits accruing from the improved performance in our overseas activities."

Thus, from a borrowing position of £382,000 the group has become a net lender of over £1m, and Mr. de Trafford adds that current loans and deposits are at an even higher level.

There was an increase in liquid funds of £14.25m during the year against a decrease of £31.2m in the previous 15 months. Working capital decreased by £27.46m, against an increase of £4.57m.

Meeting, Leadenhall Street, E.C., on June 9 at noon.

## GHP's £2m. spending plans

AUTHORISED capital expenditure at end December, 1976, for G.H.P. Group stood at £2,060m, against £3.3m, against which contracts totalling £0.2m (£0.18m) have been placed, according to the report and accounts.

Included in the group's capital investment plans is a major expansion of its High Smith (Glasgow) subsidiary's works to meet growing worldwide demand for its range of heavy plate bending and forming machines. It will cost some £1.5m and is scheduled for completion late in 1977—government assistance will amount to £0.47m.

In 1976 capital expenditure programmes continued at a rate similar to the previous year, at a net cost of £0.44m.

Mr. D. de Trafford, chairman, says in annual statement that although the level of U.K. demand remains in many areas depressed, direct and indirect interest in export markets is buoyant.

In future the company will benefit from the new capital investment at Langley Alloys as well as by elimination of losses on hydraulic power supply.

Allowances for future inflation based on present expectations have been built into quotations. But, as no doubt must be the case in most manufacturing, and an engineering particularly, profits would be vulnerable to any explosion of wages after the end of phase two.

However, the present position justifies expectation of a further increase in profits for the current year, he says. In the longer term the directors are confident that major capital expenditure programmes now being embarked upon will be amply justified in the profitable exploitation of world markets.

As reported on April 23, pre-tax profit for 1976 rose from £1.66m to £1.57m, on turnover of £16.66m (£17.08m).

During 1976 there was a marked reduction in the cash committed to working capital. The year-end balance of customers' payments on account of work-in-progress rose to £1,341,000 (£1,180,000)—this increase coupled with a reduction in debtors of £596,000 to £3,808,000, generated loans and deposits of £1,604,000 (£3,000) at the year end.

Thus, from a borrowing position of £382,000 the group has become a net lender of over £1m, and Mr. de Trafford adds that current loans and deposits are at an even higher level.

Two shareholders.

## Haden Carrier prospects

A PERIOD of major change in the carrier industry is being experienced throughout Europe, though it is inevitable that there will be a hiatus before a pattern of growth can be resumed, according to F. A. Pullinger, chairman, annual statement.

Construction industry in Europe is still about 30 per cent below the peak level of 1973 and will remain that way for the next few years.

Much the same can be said of Australia and South Africa.

The company is maintaining perhaps improving, its share in Europe but has made good the diminution put by expanding its bases in the Middle East, Nigeria.

Orders taken in these areas has been slow, but a substantial volume of orders is expected later this year, probably not to be recorded until 1978 and 1979.

Orders taken in 1976, per cent, up on the low 1975. Action taken to improve the overseas situation should lead to improved 1977, he adds.

As known, pre-tax profit for 1976 dropped from £12.25m, on turnover down £145.8m, to £138.34m.

Net liquid funds increase £1.63m (£0.44m), decrease and bank balance down £0.6m (£0.88m), and a drop in bank overdraft from £1.67m (£1.11m) to £1.11m (£1.11m).

Meeting, 7, Tavistock, W.C., June 1, 11.30 a.m.

## J. Williams of Cardiff ahead

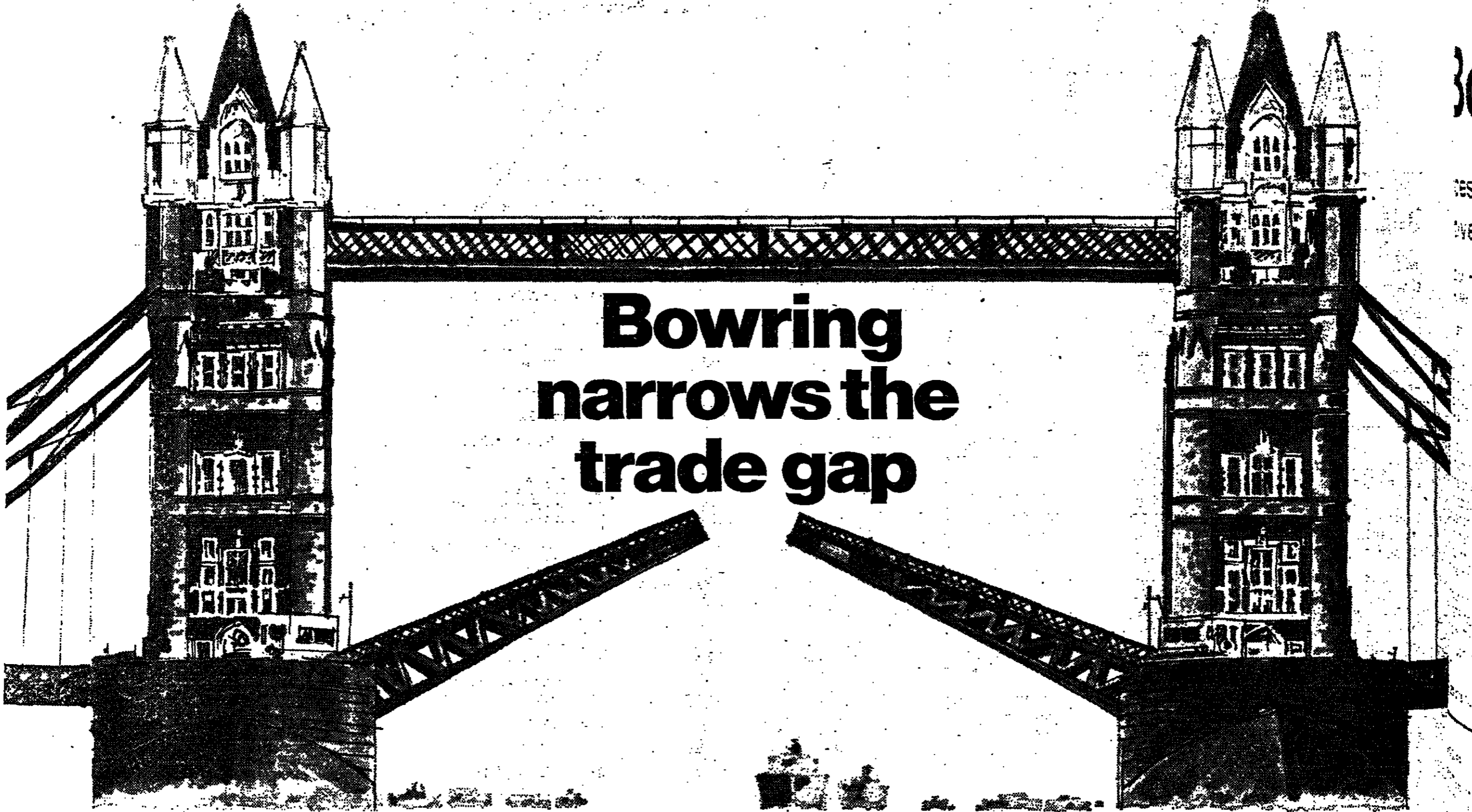
On turnover ahead from £1.64m (profit of John's of Cardiff for the half) and March, 1977, advance £251,000 to £375,000, sub tax of £155,000 against £1.64m.

The directors state that to the remainder of the year the business moment achieve better profits than the year's £343,000. The permitted dividend for 6 is expected, they add.

The interim dividend from 0.67p to 0.5p net share. The total last year's dividend was 1.37p.

The group has interests steel industry.

**LAFARGE GROU**  
Canada Cement Lafarge  
Lafarge Star Industries  
announces that an agreement has been reached whereby the Lafarge Group will be divided into two shareholders.



## Bowring narrows the trade gap

...with premium turnover in overseas currencies of £447,000,000 in 1976.

Bowring is one of the largest single contributors to this Country's invisible earnings. This contribution has resulted in C. T. Bowring (Insurance Holdings) Ltd. winning the Queen's Award for Export Achievement 1977.

During the past two years Bowring Insurance Broking has increased its premium turnover in overseas currencies two and a half times, namely from £177,000,000 in 1974 to £447,000,000 in 1976.

This is in addition to Bowring's overseas earnings from insurance underwriting, shipping, trading and banking and its income from overseas subsidiary and associated companies.



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INTERNATIONAL FINANCIAL AND COMPANY NEWS

No concrete forecasts from Bayer chief

BY GUY HAWTHIN

MARCH FIGURES show a welcome revival in demand for West Germany's chemical industry. However, a combination of stable prices and rising costs make it unlikely that the industry will be able to achieve a major increase in profits this year.

disappointing overseas performance was due in part to the hard winter in the U.S. Overall sales growth by the parent concern were not disappointing, said Prof. Gruenewald. Indeed, they were rather higher.



Prof. Herbert Gruenewald

than expected. However, world sales by the group expanded by only 1.5 per cent from DM5.24bn. to DM5.31bn. (£1.3bn.), in large part as a result of currency fluctuations.

FANKFURT, May 11.

quarter averaged about 80 per cent, but it varied greatly from sector to sector. In some areas, plant was operating at 100 per cent of capacity, while others were only 60 per cent utilised.

Bayer is pinning great hopes on the new fibre it has developed which has the absorptive properties that other man-made fibres lack. The pilot plant for the new fibre has come on stream and this year will be producing some six to eight tonnes a month which will be supplied to customers for testing and sampling.

Capacity utilisation in the first and net income of \$8.2m.

Pirelli rights was no 'success'

By Paul Betts

ROME, May 11. SIG. LEOPOLDO Pirelli, chairman of Industrie Pirelli, the perennial loss-making Italian operating company of the Dunlop-Pirelli union, has acknowledged here that the recent capital increase in the group's financial holding company—Pirelli SpA had not been a success.

In an interview published in the current issue of the weekly magazine, L'Espresso, Sig. Pirelli said that few small and medium shareholders subscribed to the five for eight rights issue to raise Lire50bn. (about £38m.). The company decided to raise this sum to consolidate the group's ailing financial structure and guarantee its ambitious programme of investments.

In spite of an attractive facilitating offer of interest-subsidised loans to Pirelli's small shareholders by the state medium term credit agency, Mediobanca, some 1.5 million were not taken up. This represents a total of Lire20bn. since the nominal value of the new shares was Lire1,000 each. Pirelli shares have currently just edged over the Lire1,000 mark on the Milan bourse. The shares were held by the underwriting consortium led by Mediobanca.

Union Carbide purchase

UNION CARBIDE announces that it has taken over Amchem Products, a subsidiary of Rorer Amchem.

Optimism at St. Roch

By David Buchan

BRUSSELS, May 11. HIGHER PROFITS and a larger dividend this year were forecast for Glaceries St. Roch, one of Belgium's biggest glass makers, by the group's president, M. Maurice Simon, at this week's annual meeting.

Higher dividend, profit at BBL

BY DAVID SUCHAN

HIGHER PROFITS and a bigger dividend will shortly be announced by Banque Bruxelles Lambert, BBL, which will then cede its stake in the bank to the new parent holding company and banking assets of the group.

This is part of a wider reshuffle in the Lambert financial and banking empire which was agreed in meetings of both the bank and the holding company to-day. A new super

holding company, Groupe Bruxelles Lambert, is to be created to straddle the bank and BBL which will then cede its stake in the bank to the new parent holding company and banking assets of the group.

Baron Lambert to-day

described the BBL capital increase as "an excellent investment" for the holding company of which he is president, and expressed confidence in the new structure of his empire.

Results for BBL announced earlier showed an unchanged dividend for 1976 of B.Frs.110, with gross profits up slightly, but after larger amounts set aside for depreciation net profit was down to B.Frs.808m. (B.Frs.823m. the year before).

Baron Lambert to-day

B.Frs.3,000 at the present CBL has a largely Belgian shareholding, the Belgian share which in turn has a 50 per cent stake in the Knokke-Heist the Norwegian sector of the North Sea. But Baron Lambert saw no reason why company's prospects should be altered by the recent blow-out.

SA Breweries holds margins

BY RICHARD ROLFE

JOHANNESBURG, May 11.

SOUTH AFRICAN Breweries, one of the largest industrial groups in South Africa, has done well to maintain its pre-tax margins of an 18 per cent increase in turnover in what must rank as the most difficult trading conditions for many years for groups heavily dependent on consumer expenditure.

The dividend has been held at 9.5 cents.

Up ahead of the results from a low of 78 cents to 87 cents, the share is yielding 19.9 cent. The company's biggest shareholder is Johannesburg Consolidated.

Net earnings of all subsidiaries basically matched those of the previous year despite the greater incidence of tax.

even though interest payments on properties under development have been capitalised. Earnings fell 8 cents to 110 cents. The dividend is maintained at 98 cents, so the shares at 895 cents yield 9.7 per cent at 895 cents.

Like its parent company, O.K. Bazaars does not expect any improvement in the South African economy until the second half of the current 1977-1978 financial period when it will have a number of new stores coming on stream.

SWISS COMPANIES

Von Roll slowly improving

BY JOHN WICKS

ZURICH, May 11.

THE SITUATION for the Swiss engineering concern Von Roll is slowly improving, despite crisis conditions in the steel industry, a stagnant construction sector, and sluggish investment activity.

purchase the capital of Giroud-Olma AG, Olten, from Von Roll. Giroud-Olma operates in machinery and apparatus manufacture and the steel construction sector.

group, recommends an unchanged gross dividend of Sw.Frs.14 per share from net profits of Sw.Frs.22.02m. (Sw.Frs.21.06m.) for 1976. There will, however, be no transfers to publication reserves in 1977. These totalled Sw.Frs.10m.

EUROBONDS

Investors wait on sidelines

BY MARY CAMPBELL

THE U.S. dollar sector of the Eurobond market continued its downward path yesterday. Prices seemed to have been marked down between a quarter and half a point in a confused market.

The main factor behind the further weakening in the market yesterday was the sharp rise in the six-month Eurodollar rate, which closed between an eight and a quarter of a point up at about 6 1/2 per cent.

Standard Chartered's floater Province which was launched yesterday offers a 7 1/2 per cent coupon on a ten-year maturity with Commerzbank as lead manager.

The third issue is a Can\$25m. issue for Chrysler Credit Canada to be placed in the Middle East. The issue offers an indicated 9 1/2 per cent for five years with National Commercial Bank of Saudi Arabia and First Boston as lead managers.

The Japanese retail stores group, has announced that it filed registration of a \$50m. 15-year convertible with the U.S. Securities and Exchange Commission. The issue, for which Goldman Sachs and Nomura Securities would be lead managers, is expected in mid-June. Another Japanese company, Renown, completed its equity offering yesterday with each EDR being priced at ¥729.

The DM150m. issue for Quebec

DOMESTIC BONDS

ECSC issue successful

BY PAULINE CLARK

AFTER the recent cut in the Belgian bank rate, the Luxembourg market saw its new Lux.Frs.500m. issue for the European Coal and Steel Community closed prematurely and well over-subscribed.

pared with only two years on the Luxembourg issue. A further indication of the strength of the market is the current speculation that a new issue by Arbed, the Luxembourg steel group, will next month attempt to raise around Lux.Frs.750m.

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The Report and Accounts, containing the Chairman's Review, are available from: The Secretary, Minet Holdings Ltd, Minet House, 66 Prescott Street, London, E1 8BU

WATTS BLAKE BEAR & COMPANY LIMITED-NEWTON ABBOT. Trading profits up 38%. Mr. C. D. Pike, O.B.E., M.A., LL.B., the Chairman in his annual review, reported: \* Pre-tax profit of £2,522,095 (£1,624,117 including currency profit of £385,000.) \* Maximum permitted total dividend 8.4% (7) \* Sales of Ball Clay and China Clay well maintained \* Expected capital expenditure of £2 million 1977. \* Prospects: Future viewed with confidence steady growth over the years both from development overseas and advanced technology \* Rights issue to strengthen financial ability advantage of opportunities for expansion.

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INTERNATIONAL FINANCIAL NEWS

ALL STREET AND INDEX INVESTING

Fact or passing fancy

BY STEWART REMING IN NEW YORK

In some investment managers... Fact or passing fancy... The most dramatic example of...

In essence what is happening is that some investment managers are realigning parts of their equity portfolios so that the performance will match that of a broadly based share index.

Bored deeper in red... Whatever proves to be the case...

indexing was announced late in March... U.S. stock markets was undoubtedly one factor contributing to the success of the switch.

AMERICAN NEWS

Mexican steel mergers planned

MEXICAN Government announced plans to merge operations of three steel producing companies... SEC-Banque de Paris settle... 3M expects 10% growth rate...

Table with columns: COMPANY, 1975-76, 1976-77, First Quarter, Second Quarter, Third Quarter, Fourth Quarter, Per Share.

Nichii to spend Y32bn.

PAULINE CLARK... NICHII COMPANY, the fifth stock and this to be followed shortly by the convertible issue...

Stake in Sime Darby revealed

SINGAPORE, May 11... SIME DARBY HOLDINGS Limited, said it has been informed by Tradewinds (M) SDN BHD...

SELECTED EURODOLLAR BOND PRICES

Table with columns: STRAIGHTS, MID-DAY INDICATIONS, D-MARK BONDS, CONVERTIBLES.

Surge at Malayan Flour

KUALA LUMPUR, May 11... MALAYAN Flour Mills Berhad, the flour mill in Malaysia, confirmed a sharp upturn...

Table with columns: COMPANY, Net Asset Value, U.S. \$, U.S. \$.

Table with columns: YONTOBEL EUROBOND INDICES, 145.76=100%, AVERAGE YIELD.

Advertisement for Hidroelectrica Iberica Iberduero, S.A. (Iberduero) US\$ 60,000,000 6 years floating rate loan. Managed by Banco de Bilbao, S.A. Includes list of banks and agent bank.

Advertisement for The City of Winnipeg U.S. \$40,000,000 8 1/2% Debentures 1987. Wood Gundy Limited, Deutsche Bank Aktiengesellschaft, Richardson Securities of Canada, Salomon Brothers International Limited, Swiss Bank Corporation (Overseas) Limited.

BLAKE

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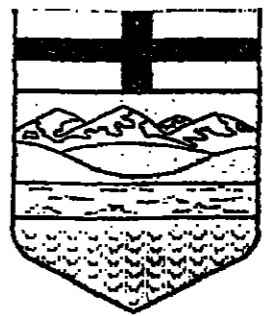


Joy 10 1975

# FINANCIAL TIMES SURVEY

Thursday May 12 1977

# ALBERTA



Alberta is using its position as the powerhouse of Canada to increase its political weight and build up its industrial base. But gas, oil and coal will remain its main strength, along with farming and forestry.

and of oil and gas

W. L. Luetkens

BOYED UP by its oil and gas boom, Alberta is a veritable land of cheerfulness amid the gloom of present-day Canada. A province of 1.8m. people, or 10 per cent of the Canadian population, it last year added more than 15 per cent to total Canadian business output. Of course that record is inflated greatly by energy projects such as the scheme for extracting from the by now almost exhausted Athabasca tar sands. The province's history is inseparable from its riches of energy.

and gas run short. By the 1980s, so-called synthetic natural gas could be ready to take over. In the late 1980s, the tar or oil sands should be making their contribution if all goes well. Syncrude, laid out for 125,000 barrels a day, may have been joined by at least another similar plant, scooping up the sand in a mining-style operation and boiling out the oil soaked in it. Other methods, by which the sands are heat-treated deep below the surface until the oil they contain can be brought to the surface as a liquid, should by then be commercial. Imperial Oil (Exxon), which has had such a plant working experimentally at Cold Lake, is ready to look at the possibility of putting together a consortium that will build a 100,000-125,000 barrels a day plant. The cost is put somewhere around \$C3bn.

The fact of the matter is that Alberta oil never has been cheap by the standards of the day; the oil to be won from the sands, where up to 250bn. barrels are at least theoretically recoverable, is bound to be dear; together with the reserves thought to exist in the Canadian Arctic it will be among the most expensive forms of energy the world has seen. But in the interests of their independence and their external payments, Canadians appear intent on going ahead.

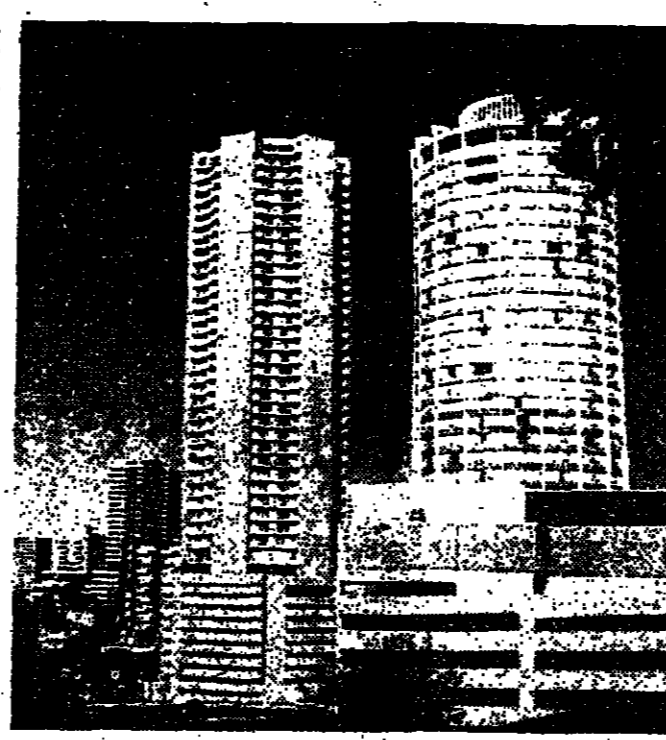
That is the source of strength with which Mr. Peter Lougheed, Premier of Alberta, intends to shift the balance of power in Canada towards the West, from the established financial and industrial power of Ontario and, to a lesser extent, Montreal. The growth and output figures show that he is to some extent succeeding: Edmonton, the provincial capital on the bluffs overlooking the North Saskatchewan River, and Calgary, the oil metropolis said to be home to the largest concentration of professional people in North America, have become magnets for financiers from all over the world: Alberta, clearly, is exempted from any doubts they may have about the growth of Canadian external indebtedness.

### Thinly

But in a parliamentary democracy there is a limit to the power of relatively thinly populated areas such as the Canadian West. Mr. Lougheed and his Progressive Conservative Government would certainly not be prepared to accept massive immigration. Instead it is their intention to work through the federal system which, in its present phase, is giving the provinces an increasing share of real political power.

The constitution gives the provinces control over their natural resources—a stipulation that is all important to Alberta, given its dependence upon mineral resources. But it reserves foreign trade to the federal Government. Seeing that a substantial proportion of Albertan hydrocarbons will continue to be exported well into the late 1980s, that gives Ottawa a powerful lever. It explains why Mr. Lougheed three years ago lost his fight to bring Albertan oil up to world price levels. Instead Ottawa and the consuming provinces prevailed with a plan for phased increases which may reach world level next year.

In a nation very much preoccupied with its unity since the rise of separatism in Quebec, Mr. Lougheed has at times been dubbed a "semi-separatist." That is unkind; he



Modern buildings in Edmonton; on the right is the Chateau Lacombe Hotel.

himself has cited the compromise reached for oil prices as an example of the advantages of a federal system. But that does not mean that he defers unduly to sensitivities in Ottawa. His cabinet's throne explicitly that initiatives would be taken in international tariff and trade matters to improve access to new markets of Albertan agricultural and other products.

What is especially on his mind is the agricultural protectionism of the Common Market (upon which nobody is likely to have much impact from with-

out); and the asymmetry of the U.S. and Canadian tariffs on beef products and petrochemicals. The U.S. tariff is higher, posing problems for the petrochemical industry which Alberta is trying to build up. Mr. Lougheed would like to see that disparity reduced.

Mr. Lougheed took a similar trip to Europe two years ago of which he now says that it made people there aware of Alberta and its opportunities. In a sense Alberta is almost too much on the map; great demand for Albertan farm land from Germans and others has caused the Lougheed Government to take powers to control sales of rural land to non-Canadians.

Petrochemicals well illustrate the fundamental Alberta dilemma of how to be more than a shipper of raw materials, given the fact that mass markets in Eastern Canada or California are thousands of miles away, and the Pacific rim lies beyond the Rockies. Alberta Gas Trunk Line, in partnership with Dow and others, is building a 12bn. lbs per annum ethylene plant near Red Deer, which is to be the centre of a petroleum chemical complex based on ethane extracted from natural gas. The plant and several others linked to it is on schedule. But the next step, which was to be a benzene plant, is in doubt.

There is a recommendation before the cabinet to go ahead with a proposal submitted by the Alberta Energy Company in partnership with Mitsubishi, but the relevant passage in the throne speech said that "developments will depend largely upon market accessibility."

What that means is that there is no assured customer for the

product and, moreover, that the by-product, which is heavy fuel oil, has almost no market within easy reach.

The problem would be mitigated, but not removed altogether, if North America were to return to boom conditions. As it is, the Alberta complex will have to compete with an enlarged oil-based petrochemical facility being built for Petrosar in Ontario. Alberta has refused to guarantee the necessary feedstock; these battles are fought with the gloves off.

The case of steel shows Alberta's disabilities even more strongly than petrochemicals. The Province has metallurgical coal, but no high grade iron ore. Plans to expand an existing small steel industry with an eye to the construction and pipeline boom have evidently been shelved.

### Lessons

These are lessons that have begun to sink in. The Alberta Government at no time wanted to prepare for the time when the oil runs out by setting up huge heavy manufacturing complexes. Not only would that have done in the face of the facts of economic geography; it would also have aroused environmental objections from farmers and the urban majority who want to preserve the very real assets of a landscape that gives much scope for relaxation in nature parks and in the Rockies and their foothills.

The tendency in Alberta is to try largely to bypass manufacturing, except where local raw materials provide a good base for capital-intensive ventures, and to leapfrog to the service industries. There has been some modest success for attempts to build up a financial centre; computer software is a possibility, and research into the more efficient exploitation of energy resources is an obvious subject.

### FACTS AND FIGURES

Area	253,285 sq. miles
Population	1.8m.
GDP (1975)	\$Can. 15.5bn.
Net value of production (\$Can. m. 1975)	
Mining	5,371
Manufacturing	1,407
Construction	1,570
Agriculture	1,519
Value of mineral production (\$Can. m. 1975)	
Petroleum crude	5,255
Natural gas	1,640
Gas by-products	718
Proved and probable reserves (Dec. 31, 1976)	
Crude oil	6.4bn. barrels
Natural gas liquids	1.6bn. barrels
Natural gas	30,900 bn. cu ft.

has been some modest success for attempts to build up a financial centre; computer software is a possibility, and research into the more efficient exploitation of energy resources is an obvious subject. The Province has the lowest taxation in all of Canada; it has no estate duty; and its Liquor Board charges less than do the other provinces for alcoholic refreshment. These are points that matter, since it is difficult to attract business and research unless you attract executives and academics. It all sounds a bit like a middle-class paradise. Some middle-class problems also exist: the suicide and divorce rates are high. With a little imagination the formula could be described as the creation of a Canadian Switzerland. True, the Swiss are very close to the manufacturing centres of France and Germany. But they do lack oil and gas, which assures Albertan prosperity for years to come.

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# Alberta

## New opportunities for Investment and Trade with a growing free-enterprise Canadian province.

### Expanding Economy

The per capita Gross Domestic Product of Alberta is the highest in Canada — \$8,787 in 1975. And the province anticipates even greater economic growth in the future.

### Good Investment Climate

Alberta continues to enjoy a stable political and social climate. Labour relations have traditionally been excellent. Investment intentions for 1976 are estimated to be \$7.3 billion, up 25% from 1975.

### Energy Rich

Alberta possesses abundant supplies of hydro-electric power, coal, and conventional oil and gas reserves. As well, it has the Alberta Oil Sands — estimated to contain recoverable reserves of over 300 billion barrels of oil.

### Transportation Links With The World

The province has excellent road, rail, and air transportation. Alberta offers daily flights to major world centres and easy access to Canadian ports.

### Exports To The World

Alberta's agricultural and energy products have always found markets in Canada and the rest of the world. The province now exports oilfield technology and equipment, agricultural expertise and implements, engineering consulting services, metal fabrication, prefabricated houses, livestock and livestock semen, as well as a variety of other export products.

### Joint Ventures Welcomed

Joint ventures and licensing arrangements between non-Canadian investors and Albertan and Canadian partners are welcomed. Also, the province seeks investment and trade in the areas of food processing, petrochemicals, manufacturing, steel, and minerals, and forest products.

### Low Tax Rate

The overall taxation rate in Alberta is the lowest in Canada. The province expects to maintain this position well into the future.



# Alberta

GOVERNMENT OF ALBERTA

To learn more about investment and trade opportunities offered by Alberta, please contact:

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ALBERTA IV

# Still space for tourists

THE USUAL summer events that attract tourists in Alberta, perhaps most notably the Calgary Stampede, will have an extra touch of favour this year: Prince Charles is coming to visit the Indians.

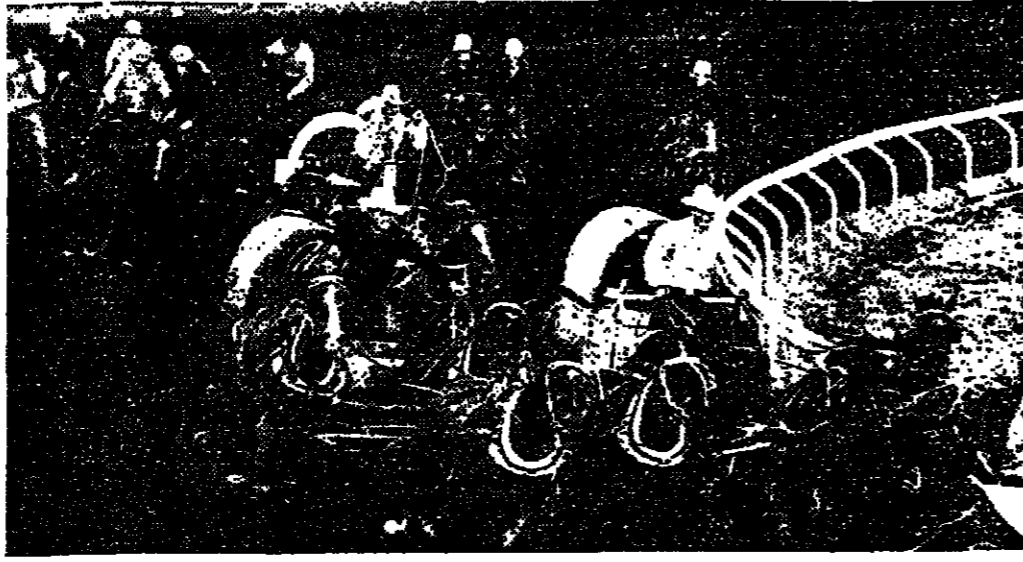
This year is the hundredth anniversary of the signing of Indian Treaty No. 7, which settled Alberta's five Indian tribes permanently on reserved lands their descendants still occupy. To mark the occasion—Indian spokesmen are careful to point out it is still no occasion for celebration, as far as they are concerned—a special gathering of Indians is being organised at the spot where the treaty was actually signed.

This is at Blackfoot Crossing, a large, flat-bottomed valley with many cottonwood trees in it, on the Bow River some 60 miles southeast of Calgary. There 100 years ago, a treaty was signed between a representative of Queen Victoria and the peoples of the Blackfoot nation—the Bloods, Piegiens, Stoney, Sarcees and Blackfoot.

On the same spot this July 6, the great grandson of Victoria, Prince Charles, will participate in a re-enactment of the treaty signing. This ceremony will come at the end of a six-day commemorative gathering of Indians at Blackfoot Crossing, which seems certain to be unique in modern times. Several thousand of the Blackfoot people are expected to participate. More than 200 painted lodges (tepees) will be erected, perhaps the largest collection at one location in Alberta since the original signing of the treaty. All the events involved with this gathering will be open to visitors, and thousands are expected to attend.

The Treaty No. 7 centennial activities will dominate the summer events that help make tourism a large and steadily growing industry in Alberta. It is expected to generate something over \$500m. this year, as it did last.

Precise figures on the number of visitors from outside the province who come to Alberta



The chuck-wagon race, a major attraction during the annual Calgary Stampede.

annually are not available. But some indication can be gleaned from figures on travellers and vehicles entering Alberta through customs ports. In 1976 there were 549,475 visitors counted in this way from the United States and 55,724 from overseas. (Interestingly, 720,688 Canadians were counted in the same way returning from the U.S. and 52,950 from overseas to Alberta.)

The treaty centennial will be a feature of the Calgary Stampede parade this summer. Always a spectacular affair, officially opening the ten-day Stampede, the parade this year will be led by Prince Charles on horseback—probably in a cowboy outfit—with Indian chiefs in full regalia and the 32 red-coated Mounties of the Royal Canadian Mounted Police's famous musical ride accompanying him.

The events at Blackfoot Crossing, on the Blackfoot Indian reserve well out on the prairies from the foothills that rise westward from Calgary, will run from July 1-6 and will provide visitors with a rare opportunity to examine Indian culture firsthand. There will be competitions in the chicken dance and other traditional native dances. Traditional

Indian crafts will be on display and visitors will be able to examine the tepees.

There will be barbecued buffalo meat to sample and trail rides for visitors along the Bow River on Indian ponies. A large area is being set aside for campers who wish to stay overnight in their own tents.

Prince Charles is scheduled to arrive in Calgary on July 5. Between then and his return to London, he will spend his first day at Blackfoot Crossing then visit the reserves of the Bloods, Piegiens in south western Alberta on July 7. The following day he officially opens the Stampede as well as leading the parade. Before returning to London on July 9, he will spend the day visiting the reserves of the Stoney and Sarcee bands, in the vicinity of Calgary.

There are other activities to entertain the tourist in Alberta during the summer, however, including Edmonton's Klondike Days and the Banff Festival of the Arts.

Klondike Days is an annual ten-day celebration in honour of the men who struck off from what is now Edmonton on a long overland route to the gold-fields of the Yukon in the gold-rush days. Later, legend has it they returned and built

Edmonton—though Yukoners still claim Edmonton has filched the name "Klondike" from them and only uses this tale in defence.

Regardless of origins, Klondike Days annually draw as many as 200,000 participants to watch the Sourdough Raft Race down the North Saskatchewan River, which flows through the centre of Edmonton; to attend the carnival activities at the midway set up in the Edmonton Exhibition grounds; to listen to street-corner entertainment; and to drink beer in bars to the accompaniment of honky-tonk piano music.

For many the highlight is the Klondike Sunday Promenade, when the whole city seems to turn out dressed in lavish costumes of the Gay Nineties era to stroll along the main streets.

This year's dates are July 20-30. The Banff Festival of the Arts is produced by the Banff Centre, a summer school of the fine arts in the town that is the heart of Canada's most famous national park. This year the festival is on August 2-20 and features ballet performances by the student company, including *Les Sylphides* and *Ballet blanc*, first produced in 1908 by Diaghilev's Ballets Russes with music of Frederic Chopin. The set

for *Les Sylphides* will be by Valerie Taylor, formerly of the Royal Ballet.

Other events in the festival include the opera *La Boheme* by Puccini, a series of concerts by students and the Canadian Chamber Orchestra, and a production of the French musical, *Gigi*. In the drama department there will be a production of Georges Feydeau's *A Flea in Her Ear*.

There are two excellently designed theatres at the Banff Centre in which these events will be held. But the scenery around the Centre, which is built up on a mountainside above the town, is mindful of what attracts more tourists to Alberta than any of these events.

Alberta, though its population continues to grow, remains a land of wide open spaces, and much of it as beautiful as any other part of Canada.

## Attractive

There are the well-known national parks: Banff and its neighbour to the north, Jasper, and three others, less famous but in their own ways also attractive: Wood Buffalo across the northern border of the province, Elk Island just east of Edmonton, and Waterton Lakes in the south-western corner of the Province, adjoining Glacier National Park in Montana, at the U.S. boundary.

But there are many miles of river, especially in areas north of Edmonton, where canoeing is both a delight and a serious challenge. There are also many lakes, again especially north of Edmonton, where fishing is excellent and boating a pleasure.

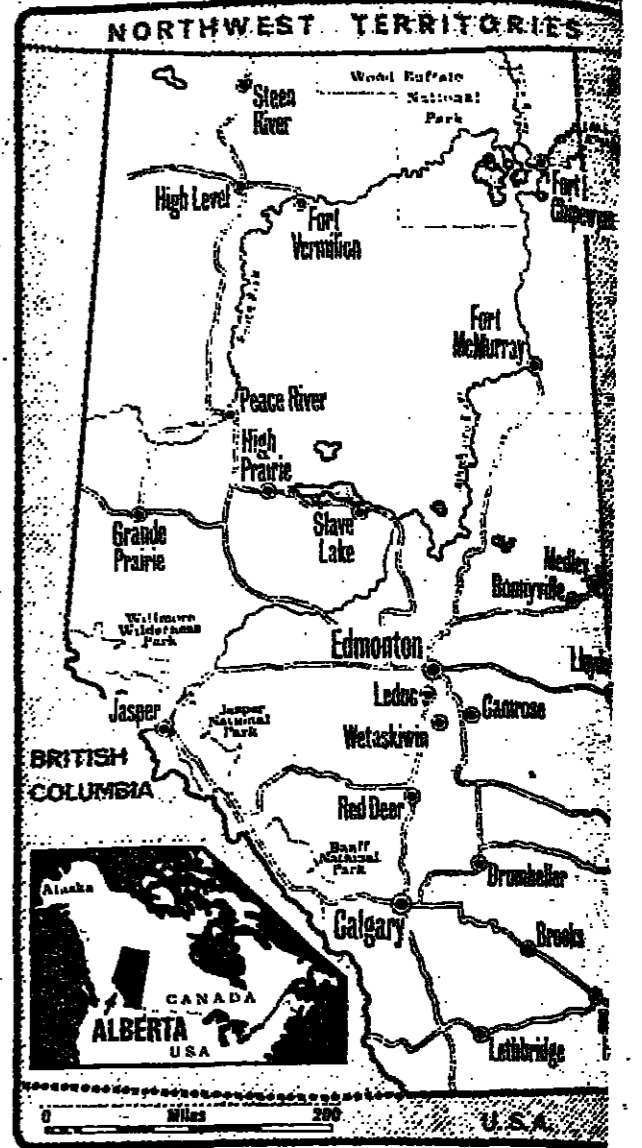
Both Calgary and Edmonton have opera companies and stage theatres. Easily the most respected in the Province is the Citadel in Edmonton, where the former British actor-director John Neville reigns as unchallenged king. The theatre moved into a stunningly modern glass-wood-and-beams building last year and enjoyed a season of one box-office triumph after another during the winter. The outstanding star of any performance was Neville him-

self, who earned rave reviews for his portrayal of Dr. Norman Bethune, in an otherwise undistinguished play drawn from the life of this Canadian doctor, who became a hero in China for the medical help he gave the forces of Mao Tse-tung against the Japanese in the 1930s.

Perhaps a measure of the sophistication of Calgary audiences was the complete absence of any controversy over the nude scene in Theatre Calgary's production during the winter of Peter Shaffer's play, "Equus." A few years ago, the Ballet Africains ran into a storm of protest in Calgary for dancing bare-breasted at a local what attracts more tourists to Alberta than any of these events.

But the arts scene in Alberta is still a small and struggling one. The attractions of the countryside, vast open spaces of rolling prairie, tree-covered foothills and Rocky Mountains, remain more compelling for most Albertans and most visitors to the Province.

Don Peacock



# Difficulties for agriculture

THE SPECTRE of potential drought possibly worse than any since the 1930s was the dominant element of agriculture and forestry in Alberta this spring.

As this was written (on April 30), there was still hope that rain would ease the prospect for grain farmers and remove the threat of fires in Alberta forests. But agriculturalists say it is already too late for pastures and hay fields to make a comeback this year, whether rain comes or not; growth is already stunted for this season.

Farmers in Alberta normally do not start seeding their grain fields until about mid-May. But there was so little snow cover to melt away at the end of winter this year, and temperatures have been so unseasonably high, that farmers were busy at seeding in about mid-April.

This was not only to take advantage of the weather but to let their crops begin using the moisture available in the soil before it dried out any further. If their grain could manage to grow even a little before the drought worsened, this would at least reduce soil drifting—one of the most haunting memories of those who lived on the Canadian prairies during the 1930s.

Agriculturalists emphasised, however, that the prospect of trouble for Alberta grain farmers could change with a single heavy rainfall. For prairie grain farmers, it is not how much rain that is essential to their crops; it is when the rain comes. Last year, for example, the overall rainfall was lower than average, but when the rain did come it was just at the time the crops needed it most to keep them growing.

Alberta, with about 8 per cent of Canada's population, produces about 20 per cent of the total Canadian agricultural output. Wheat continues to be the Province's biggest earner of export income. Alberta farmers earned \$425m. from wheat sales in 1976, down from \$514m. in 1975, despite higher-than-average yields last year; world prices had slipped from 1975.

But it is Alberta farmers with livestock—about 36 per cent of the total Canadian livestock population is in the Province—who face the worst problems should the drought continue. From a high of 49 cents a pound, basis Toronto, in 1974, beef prices in Canada have been fluctuating down to as low as 35 cents since then. Though they

were around 40 cents at the end of April, a shortage of water in some areas of the Province threatened to force farmers to sell heavily, with a consequent new downward pressure on prices.

The light snowfall last winter and sparse rainfall during the spring not only left pastures dry and grass short, but dugouts in the fields, where spring run-off normally collects to provide drinking water for the animals, were running short.

Whatever weather this summer brings, Alberta farmers will not face the disasters of the Canadian prairies suffered during the "dirty thirties." For one thing, much was learned about how to cope with drought conditions from the 1930s' experience, though many years of good rainfall since then seem to have caused some farmers gradually to set aside those lessons and revert to other cultivation habits.

## Lessons

One of the main lessons of the drought years in the past was to cultivate the land in a way that leaves as much stubble and other vegetation trash as possible on the surface. Instead of turning over the soil to kill weeds, for example, implements were developed which cut roots below the soil an inch or two, but do not disturb the surface material. This trash then acts both as a weight to hold the soil when the wind blows and as an insulation to slow evaporation of soil moisture.

Agriculturalists point to the fact there have been several bad dust storms in Alberta already this year—a section of the main motorway between Calgary and Edmonton was temporarily closed near the end of April because of bad visibility from a duststorm—as evidence that some Alberta farmers have forgotten or ignored drought cultivation methods. But they can readily be brought back into use.

A comprehensive crop insurance scheme is also available to protect farmers from total loss, and livestock breeders have some security through a deficiency payment system. The crop insurance is intended to cover a farmer's production costs in case of crop failure. A farmer has a choice of buying insurance for 80 or 70 per cent of the yield per acre

averaged over a ten year for any crop. The Pro divided into 14 risk areas cost varies according to mated risk of a farm and the soil quality.

The crop insurance scheme is part subsidised federal and provincial ments. The federal ment pays an amount scheme to match farm atiums and the Government pays the stration costs.

Alberta farmers' receipts amounted to \$1 in 1976. Of this \$910 from crops and \$891 livestock and products. To protect livestock, the federal Government a deficiency payment gramme. It guarantees mum price of at least cent. of the national price, taken from seven Canadian markets, over vious five years.

The Government, has the option of rais guarantee higher than cent. If it sees fit. Dun livestock prices were 50 at the rate of 95 per cent. The five-year average, for increases or decre production costs. In that year, the de payment—the differ- between the actual marke and the 95 per cent. average price for the p five years—amounted to per hundredweight dur first quarter and \$3 dur last half. None was during the second quar-

Albertans use nearly acres for crops and-if production, with about acres categorised as cul It is estimated that anoth acres could be brought duction should there be world demand for food Alberta also ranks among Canada's ten p both in productive for and in terms of merch and timber volume. Forest 80 per cent of 150,000 miles, and are estimated tain some \$50n. cubic wood.

The annual retail w Alberta's forest, recently has ranged between \$85m. and \$100 pending to a considerable on house-building in the where much of Alberta's is sold.



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# Problems facing new industries

THE BLOOM is apparently coming off the wild rose, the provincial floral emblem. While Alberta is widening its industrial base, the struggle to do so now appears to be harder than it did a few years back when it seemed that petrochemical projects were announced almost daily.

The burst of enthusiasm for Alberta came shortly after the OPEC price increases. The Province appeared to be one of the few places in the world where safe and plentiful supplies of hydrocarbons and a hospitable investment environment came together.

Now manufacturers and prospective manufacturers are starting to realise some of the problems associated with building in Alberta's provincial economic boom or no boom, supplies or no supplies.

The Province is landlocked. Its internal market is small. Distances to other markets are often great. And logical outlets

for Alberta products, such as the Pacific north-west of the U.S., require one to jump the hurdles of U.S. tariff and other barriers to trade.

Alberta's Premier, Peter Lougheed, has often complained about the tariffs on many products that move across the border between Canada and the U.S. And his list does not end with petrochemicals, although he notes that petrochemicals from the U.S. enter Canada at about half the tariff at which Canadian petrochemicals enter Alberta.

## Negotiate

Mr. Lougheed has suggested that Canada and the U.S. should negotiate a bilateral trade agreement which would give Alberta petrochemical manufacturers better access to the U.S. market, perhaps in return for natural gas exports to the Pacific Northwest, a position that the Premier has acknowledged to be contrary to federal policy, which is a phase-out of natural gas exports.

Even with these problems of tariffs and trade, the most important petrochemical complex now under construction in Alberta is now viable, according to Mr. R. L. Pierce, executive vice-president of Alberta Gas Trunk Line Company of Calgary, the company building the key plant in the complex. Using ethane which will be stripped from the Province's natural gas stream, Alberta Gas Ethylene, a subsidiary of Alberta Gas Trunk Line, will make 1.2bn. lbs a year of ethylene at a \$350m. plant now under construction at Joffre, a small town just east of Red Deer. The ethylene will be piped to markets out of the Province in a pipeline now being built by Dome Petroleum and Dow Chemical of Canada. However, Dow will store much of the ethylene at Fort Saskatchewan, a town east of Edmonton, where it will be the basic feedstock for two other plants being built by Dow.

When this complex of plants comes on stream, probably some time in 1979, Mr. Pierce expects that Alberta will enter the next phase of industrial development based on petrochemicals. He says that there are a number of companies waiting quietly in the wings who will use the plastic for further manufacturing.

Alberta Gas Trunk Line is still enthusiastic enough about the petrochemical industry in the province to be planning a second ethylene plant for the mid-1980s, says Mr. Pierce. This plant would also be based on ethane, but further plants would have to be based on liquid hydrocarbons as a feedstock. One advantage of an ethane-based plant is that, unlike plants based on liquids, there are no problems with co-products, which would have to find a market in a Province that does not have an economy that would absorb large volumes of heavy fuels, for example.

One project for which both a full supply of feedstock and markets for both products and co-products must still be found is the benzene plant which is being planned by a consortium consisting of the Alberta Energy Co., Hudson's Bay Oil and Gas Co., Mitsubishi Petrochemical Co. and the Mitsubishi Corp. The Provincial Energy Resources Conservation Board has recommended to the provincial cabinet that an industrial development permit be issued for this \$220m. project which would produce 1.1bn pounds a year of benzene.

Even if an industrial development permit is issued by the provincial Government, such approval does not guarantee a project will go ahead. Facilitated by the Province's natural gas stream, Alberta Gas Ethylene, a subsidiary of Alberta Gas Trunk Line, will make 1.2bn. lbs a year of ethylene at a \$350m. plant now under construction at Joffre, a small town just east of Red Deer. The ethylene will be piped to markets out of the Province in a pipeline now being built by Dome Petroleum and Dow Chemical of Canada. However, Dow will store much of the ethylene at Fort Saskatchewan, a town east of Edmonton, where it will be the basic feedstock for two other plants being built by Dow.

But the problems with manufacturing in Alberta are not confined to petrochemicals. The meat packaging industry, which is the largest employer in the Province, has been going through a rough period. A. J. E. Child, president of Burns Foods, of Calgary, the largest employer in the Province, notes that Burns' meat packing operation lost more money in the first quarter of 1977 than it ever had before.

Jim Rusk

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On the retail side all fish products except halibut have risen in price since February 1976...

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Sugar meeting may end quickly

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JAMAICA will receive \$33m. The loan will be used to support the Jamaican Government's efforts to streamline export earnings...

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Main table containing financial data for various unit trusts and offshore funds, including columns for fund names, managers, and performance metrics.

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Additional text and notes related to insurance and financial services.

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Table listing Abbey Life Assurance Co. Ltd. policies and their details.

ALBANY LIFE ASSURANCE CO. LTD.

Table listing Albany Life Assurance Co. Ltd. policies and their details.

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100	95	AAH	100	+	5.0	5.0	10.0
100	95	ABR Research	100	+	5.0	5.0	10.0
100	95	A.P. Inds	100	+	5.0	5.0	10.0
100	95	Alcoa Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## ENGINEERING - Continued

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## DRAPERY AND STORES - Continued

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## BUILDING INDUSTRY - Continued

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## CANADIANS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## BRITISH FUNDS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## COMMONWEALTH & AFRICAN LOANS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## AMERICANS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## BEERS, WINES AND SPIRITS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## BUILDING INDUSTRY, TIMBER AND ROADS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## CHEMICALS, PLASTICS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## CINEMAS, THEATRES AND TV

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## ENGINEERING, MACHINE TOOLS

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## FOOD, GROCERIES, ETC.

1977 High	1977 Low	Stock	Price	±	Div. %	Yield	1977 P/E
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0
100	95	Alkerm Inds	100	+	5.0	5.0	10.0

## HOTELS AND CATERERS



48

**THE £700 MILLION INVESTMENT EXPERIENCE**

**Canlife units**

EXPERIENCE - WHERE EXPERIENCE COUNTS

Canlife Life Unit Trust Managers Limited, Canlife Life Unit Trust Managers Limited, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

**REDIFON COMPUTERS**

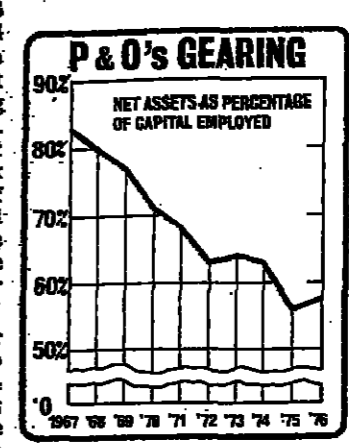
the choice of top companies

KELVIN WAY CRAWLEY SUSSEX

THE LEX COLUMN

**P & O after the write-offs**

Index fell 7.0 to 456.6



ance could be as much as the exceptional £13.6m. Even so Sun seems to be ably hopeful of getting in black on its overall under account in 1977, compared with losses of over £11m last

**Oils**

The overhanging threat of Government disposal is anything but a hand-saw share price which in a month or so has been in for a patchy performance in the year. Fuelled by night remarks in New York the shares rose 14p to 1.05 in the day. There is a spate of rumours about marketing being imminent earlier Shell had been in by an attack of nerves, a market jumping to come out why the first statement is being brought as early as 8.30 this morning the customary hour for issues. That suggestion far-fetched, and even if it is true, it will be several weeks of the day reached an all-time high of 1.40 in the fourth day in success. Plainly, the oil pitch is to be a jittery place, and BP issue actually arrive at this stage it still looks several weeks off. It is expected to include a forecast it will await the first quarter and these are not scheduled until June 2, a obviously there is a amount of flexibility timing. The authorities will be doing their best to healthy equity market the run-up to impact of while the brokers concern this stage. Milnes, Mc Springour - will have very discreet in some potential institutional. Approaches to some may have been the bad rumours flying around day.

**SE Benevolent**

Members are reminding the collection for the Exchange Benevolent closes at 12 noon to May 13, and it would be appreciated if subscribers send in their cheques/covenant payments as possible.

P & O is "quite happy with the state and shape of our balance sheet, and we have adequate facilities for our needs ahead." The 1976 accounts, published to-day, lead some weight to its efforts to put a dampener on the recurrent rights issue stories. Having soared from nothing to £100m in the space of two years, net short-term borrowing slid back to £75m during the course of 1976. And despite substantial provisions above and below the line, it looks as though the Sovis business is at last under control.

The argument is that earlier provisions did not turn out to be inadequate until the exceptional rise in interest rates knocked the rough end of the property market for six in the final quarter of the year. As a result, Sovis ended up with working capital of nearly £150m, negligible net assets, and a loss (including the banking side) of over £26m, after provisions of £12.8m.

Unless things go badly wrong again, the picture this year should be quite different. The bank's exposure to third-rate property is now running down quickly. Lossmakers in Canada have been cut back, and the successful outcome of a claim in the U.S. could by itself bring over £6m back into the profit figures this year. P & O still has an enormous £64m tied up in development properties, but this sum is gradually being whittled down.

Meanwhile the group's real business continues to improve, even though the bulk shipping division is going to have a very flat time in the current year. The cargo division, which accounted for under a fifth of group assets and over a half of group profits in 1976, is continuing to flourish on the Gulf trade, while the European and air transport business seems to be heading for a further improvement following a swing of nearly £10m into profits last year.

Short-term interest, however, focuses on development plans for the North Sea oil field, which are to be submitted to Government by the end of this month. The report is short on detail, but glowing in adjectives about "one of the most exciting oil discoveries in the North Sea."

**Royal**

The market was expecting big things from Royal Insurance in the first quarter of 1977. But a swing from underwriting losses of £15.8m to a profit of £1m still comes as a big surprise, for even at the very peak of the last underwriting cycle Royal only managed to break even in what for seasonal reasons is normally the toughest period of the year. The result is that pre-tax profits have shot up from £3.8m to £27.4m.

Holland is still doing very badly, and there is evidence of increasing competition in Australia. All the same there must now be a reasonable chance that the Royal is heading for its first overall underwriting profit since 1972. On this basis, and allowing for the continued strength of investment income, pre-tax profits could rise by over a half to something in the region of £120m.

**New initiative on Rhodesian independence**

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

A "consultative group" of British and American officials are to travel to Africa next week to discuss intensive negotiations with all the parties likely to be involved in a future settlement in Rhodesia.

Announcing this in the House of Commons yesterday Dr. David Owen, the Foreign Secretary, said that the British and U.S. Governments were in "full agreement" on this next stage of the Anglo-American initiative on Rhodesia.

In a short statement, which was noticeable for its lack of any reference to the proposed constitutional conference in Rhodesia, Dr. Owen said that the officials would have "detailed consultations about an independence constitution and the necessary transitional arrangements." The consultative group would visit "the area as necessary, including Salisbury."

The Foreign Secretary's low-keyed approach yesterday contrasted strongly with statements made on his return from Africa three weeks ago, when he spoke of a constitutional conference which would be sponsored by the U.S.

**Opposition**

African opposition to direct U.S. involvement, as well as a considerable degree of caution from Washington over the past stage, seems mainly responsible for the change.

The consultative group announced by Dr. Owen is a rather grand title for what appears to be a very small roving mission of three British officials and a secretary.

The team, which will be led by Mr. John Graham, recently appointed Deputy Under Secretary in charge of Africa at the Foreign Office, will leave for Lusaka on Monday. It is hoped that the American official - yesterday the Foreign Office had not been informed of his name - will arrive in London over the week-end.

The mission's task is apparently to talk to the parties involved in a potential Rhodesian

**NATO talks back Carter proposals**

BY MALCOLM RUTHERFORD

THE NATO summit meeting ended yesterday with a final communiqué broadly endorsing all three main proposals made by President Carter in his keynote address on Tuesday.

These are:

- 1 - A commitment to the development of "a more balanced relationship between European and North American members of the Alliance in the procurement of defence equipment."
- 2 - The initiation and development of a long-term programme to enable NATO to meet the changing defence needs of the 1980s.
- 3 - A fresh study to be undertaken by the NATO Permanent Council, of "long-term trends in East-West relations and their implications for the Alliance."

Work on the long-term defence programme will begin at the meeting of the NATO Defence Ministers due to take place in Brussels next week.

**Progress**

The Ministers will produce an interim report for their regular meeting in December and recommendations for action at the Council meeting next May which, it is now assumed, will take place at summit level in Washington.

The study of East-West relations will also be completed by that date. Both reports are likely to be considered in the light of the progress made towards détente in the next 12 months.

**Continued from Page 1**

**Premier's son-in-law is envoy**

It is admitted, however, that there was no obvious diplomatic candidate for the post.

Mr. John Thomson might have been a possibility, but he only recently took the job of British High Commissioner in India.

Sir Peter Ramsbotham, whom Mr. Jay, replaces, is to succeed Sir Edwin Leather as Governor and Commander-in-Chief of Bermuda. His consolation might be that that is normally a political appointment.

Richard Evans writes: At Westminster the appointment of Mr. Jay was greeted with incredulity by Conservative MPs and by widespread hostility among Labour backbenchers.

There is likely to be a row in the Commons to-day, when MPs seek from the Prime Minister an explanation of why his son-in-law was preferred to a career diplomat.

Puzzled Labour MPs wondered why Mr. Callaghan, renowned for his adept political touch, should have endorsed an appointment, no matter what its advantages, bound to lead to hostility at a time when the Government is so vulnerable politically.

The Manifesto Group, of moderate Labour backbenchers, if Mrs. Margaret Thatcher won power.

Mr. John Davies, Shadow Foreign Secretary, expressed "surprise at this break with tradition."

But a Tory backbencher, Mr. Peter Bottomley, himself the son of a former Ambassador, declared: "Mr. Jay is very well respected in the U.S. It is a good choice."

Mr. Jurek Martin writes from Washington: There is much sense and irony in the replacement of Sir Peter Ramsbotham by Mr. Jay.

The sense lies in the fact that it is logical that a new and largely young Carter Administration should be complemented by a new and young chief British representative, particularly since Dr. Owen is of a similar generation.

The irony lies in the fact that nobody on Embassy Row read the new U.S. Government as well, or got on with it so well, as Sir Peter.

It is freely admitted by American diplomatic sources that the outgoing Ambassador had proved extremely effective both before and after the election.

**Support ebbing from Ulster strike call**

BY ROY HODSON IN NORTHERN IRELAND

LITTLE GENUINE support for the Protestant militants' strike remained yesterday in Northern Ireland. At the port of Larne, where the dockers have provided important backing for the aims of the United Ulster Action Council which is behind the strike, shipping began to move for the first time in nine days.

Two roll-on/roll-off vessels docked, and though the dockers have not formally voted to return to work, more traffic is expected through the port to-day.

Industry and commerce were almost normal throughout Northern Ireland yesterday in spite of the inconvenience of bus services being withdrawn. The bus drivers stopped work in sympathy for the driver murdered by a gunman in the Crumlin Road, Belfast, and decided yesterday to stay out until after his funeral, probably on Friday. Protestant extremists are being blamed for the attack.



The Rev. Ian Paisley: "The battle of a lifetime."

There is growing disension in the Action Council about future tactics to prolong the strike. One faction is believed to be ready to call it off.

It is unlikely that the Council will be prepared to risk being suspected of associating itself with shootings and bombings.

A deputation of the bus-drivers met Mr. Roy Mason, the Northern Ireland Secretary, and asked what further security could be provided for the buses.

The idea of carrying an armed soldier on every platform was discussed, but it was discarded as it was felt that the men would be easy targets.

Mr. Mason promised to consider stationing troops at every street corner on bus routes in the dangerous parts of Belfast. A number of bus stops along the Shankill and Crumlin Roads are to be suspended while the strike call continues.

The Rev. Ian Paisley, MP, the leading figure behind the strike, toured Co. Londonderry yesterday. At Lincavady he told farmer supporters organising a

road blockade with tractors: "This is the battle of a lifetime to avoid Protestants becoming a minority in a united Ireland."

Mr. John Geddes, 36, killed by a 50-lb car bomb at a Belfast garage on Tuesday night was, it was disclosed yesterday, the son of Mr. Eric Geddes, a member of the inner leadership of the Action Council. He represents the independent Orange Order, a non-militant Protestant movement.

Mr. Geddes said he would not attend Council strike meetings for some time in view of his son's death. His son would still be living, he said, if there had been proper security, and the people of Northern Ireland had supported the strike.

But police and Army are reasonably sure that the car bomb was the work of extremist Protestants supporting the strike. The garage remained open during the strike in defiance of warnings to close.

Mr. Geddes had pulled in and

**Brussels seeks order to suspend Irish ban on fishing vessels**

BY ROBIN REEVE

STRASBOURG, May 11.

THE BRUSSELS Commission to-day decided to ask the European Court of Justice to order the Irish Government to suspend temporarily its ban on large fishing vessels operating in waters 50 to 100 miles off the Irish coast.

The move follows the Irish cabinet's decision to ignore the Commission's deadline for lifting the ban which expired at midnight last night.

The Commission considers the Irish decision, which led to the recent arrest of 10 Dutch trawlers, to be discriminatory and against EEC rules.

The Irish Government argues that the ban on fishing vessels bigger than 110 feet or 1,100 brake horsepower is the best way to implement an expansion of the Irish fishing fleet and con-

serve endangered fish stocks, objectives which have been formally accepted by the EEC Council of Ministers.

A final decision has not been taken, but the Commission is expected to ask the court for a suspension of three weeks. It hopes during that period that the Council of Ministers will negotiate an acceptable community arrangement to replace the unilateral measure.

This partly reflects Dublin's willingness to discuss a community-blessed arrangement, Ireland was forced to act unilaterally after Britain blocked a commission plan for Irish waters. This was on the grounds that it prejudiced the case for an exclusive national fishing band of up to 50 miles by applying an EEC fisheries conservation

regime up to the shoreline of parts of Britain's and Ireland's coasts.

But the decision to seek only a temporary suspension is a clear recognition of the fact that the Commission is not certain that the court would declare the Irish measure illegal.

The Commission also gave its blessing to-day to a communication to next week's Council of Agriculture Ministers setting out the principles on which, it believes, a revised common fisheries policy must be based.

As expected, it does not make a specific concession to the longstanding demand of Britain and Ireland for an exclusive national band of up to 50 miles, as part of the internal fisheries regime, revised to take account of 200 mile limits.

Mr. Finn Gundelach, the Brussels Commissioner responsible, feels that the Commission's proposals last year, which envisaged an exclusive coastal band of no more than 12 miles, with the historic rights other EEC fishing fleets preserved, are still on the table.

Other principles governing the new regime recommended to the council are: that it should provide compensation to those giving up industrial fishing in the interests of conservation; recognise that some EEC members, like Britain, have lost more fishing in non-EEC waters than others; and that it should deal with the social and structural changes involved on a community basis.

**Bank signals desire to check interest rate fall**

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK OF ENGLAND yesterday gave a signal to the money market that it wants to check the rate of decline in short-term interest rates.

The authorities lent a small amount to one or two discount houses for seven days at Minimum Lending Rate. This was intended as a weak, rather than a weighty signal that they do not wish to see a significant fall in the next Treasury Bill rate at the tender to-morrow.

There is no indication yet whether the Bank of England will allow the market-related formula for MLR to operate again after overriding it for the

last fortnight and holding MLR at 8 1/2 per cent.

Three-month Treasury Bill rates in the market have been steady at around last Friday's tender level of 7.42 per cent, which would indicate a cut of a quarter point to 8 per cent, if the formula were restored.

The signal to the market reflects the authorities' desire so far this month to steady conditions after the sharp fall in interest rates in April, especially given the signs of a rise in interest rates in the U.S. The differential between U.K. and U.S. rates has already narrowed considerably in the last two months.

**Weather**

**U.K. TO-DAY**

RAIN, heavy in places. Brighter in S.

London, S.E. Cent. S. W. England, E. Midlands, Channel I. Rain at times, brighter later with showers. Max. 16C (61F).

E. Cent. N. N.E. England Sunny intervals, showers. Max. 15C (59F).

W. Midlands, Wales, N.W. England, Lakes, I. of Man, S.W.

**BUSINESS CENTRES**

City	Y-day	Mid-day	City	Y-day	Mid-day
Amsterdam	C 14	21	London	C 14	27
Basel	C 13	20	Luxembourg	C 14	27
Berlin	C 13	20	Madrid	C 14	27
Brussels	C 13	20	Munich	C 14	27
Frankfurt	C 13	20	Naples	C 14	27
Geneva	C 13	20	Paris	C 14	27
Lisbon	C 13	20	Rome	C 14	27
Madrid	C 14	27	Stockholm	C 14	27
Munich	C 14	27	Zurich	C 14	27

**HOLIDAY RESORTS**

City	Y-day	Mid-day	City	Y-day	Mid-day
Alicante	S 18	86	Istanbul	C 17	82
Barcelona	S 18	86	Jersey	C 17	82
Batavia	S 18	86	Las Palmas	C 17	82
Bordeaux	S 18	86	Lucerne	C 17	82
Buenos Aires	S 18	86	Malaga	S 18	86
Cardiff	S 18	86	Nantes	S 18	86
Cherbourg	S 18	86	Nice	S 18	86
Copenhagen	S 18	86	Osaka	S 18	86
Dublin	S 18	86	Salzburg	S 18	86
Edinburgh	S 18	86	Seville	S 18	86
Frankfurt	S 18	86	Toronto	S 18	86
Geneva	S 18	86	Valencia	S 18	86
Lisbon	S 18	86	Vienna	S 18	86
London	S 18	86	Zurich	S 18	86

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